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WEST EUROPE REPORT

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ENERGY CONSUMPTION CUT 14 PERCENT IN YEAR

Copenhagen BERLINGSKE TIDENDE in Danish 11 Dec 80 p 3

[Article by Jens Olaf Jersild]

[Text] The Danes are this year beating all records in their efforts to save energy and cut fuel bills.

Our consumption of oil and gasoline will, this year, be 14 percent lower than last year, and that means savings on the balance of payments of approximately 2.5 billion kroner.

The big cuts in the consumption appear from a confidential note that has been submitted to the advisory oil committee of the Ministry of Energy. The committee does not want to publish the note because the figures for the final months of the year have been based on an estimate given by the oil branch in early November.

Early next week, the energy committee will be presented with an urgent statement which will be forwarded to the International Energy Agency. The statement shows the evaluation by the oil branch of the consumption from October 1980 to February 1981. BERLINGSKE TIDENDE has learned that, also here, big savings are expected.

The note shows that the Danes, this year, have cut their consumption of ordinary fuel oil and diesel by 13 percent, while the consumption of heavy oil for industry, heat power plants and power stations, this year, has dropped by 16 percent. The gasoline consumption has dropped by 8 percent. Calculated in terms of crude oil prices, the savings mean that Denmark has "avoided" importing 2.5 billion kroner worth of oil.

Flemming Secher, chief of section, of the Energy Board, does not want to comment on the figures contained in the note but confirms that the figures for savings during the first 9 months of the year show the same tendencies.

Flemming Secher: "And the savings are much bigger than we expected expected early in the year."

"We had estimated that the savings, at a maximum, would be below 10 percent, but the increases in energy prices coupled with the declining real wages have caused people to make quite amazing cuts in their consumption."

"On the other hand, I do not expect a drop of the same magnitude next year. It will probably be somewhat lower, because people, at present, are saving as much as they are able to."

ITALIAN LEFTIST TERRORIST ARRESTED, TIES WITH FRENCH GROUP SUSPECTED

Paris LE FIGARO in French 20-21 Dec 80 p 8

[Article by Jean-Charles Reix: "Terrorist without Borders"]

[Text] Marco Donat-Cattin, 28, suspected of being one of the leaders of the Italian far-left organization "Prima Linea," was arrested in Paris Thursday night and questioned at Polic Headquarters at "Quai des Orfevres." Several international warrants had been issued against the young terrorist, one of them for murder.

10 pm Thursday night, a couple of young Italians looking like tourists, the heavy-set man stuffed into a grey suit and the woman dressed in a white snow jacket, walk out of a cafe on the Champs-Elysees in Paris. As they are about to mix with the evening crowd, they are surrounded by a dozen men.

Thus ended the underground life of signor Renato Palma, the heavy-set man, who gave his real name as Marco Donat-Cattin to one of the police inspectors who collared him.

The arrest of this son of an Italian Minister, suspected of being one of the top leaders of European terrorism was a big catch, a catch which, incidentally, owed nothing to chance.

Traced through an intensive investigation of other terrorists from Italy, he was watched for several days before his arrest by Italian policemen invited in France by the French internal security organization DST. French Police Intelligence and the Criminal Investigation Division then took over. A beautiful example of the recent cooperation between European police forces.

In flight for several months, Marco Donat-Cattin is assumed to be the main instigator of "Prima Linea," an Italian terrorist group as feared as the Red Brigades. Two international warrants were issued against him: one for the submachine gun attack of police barracks near Bergamo in October 1977, the other for the murder of Milan judge Emilio Alessandrini on January 29, 1979. He is also suspected of another murder, assaults, and hold-up.

In theory, the young terrorist should only be questioned at Quai des Orfevres about the only infraction committed in France: use of false identification papers. But Marco Donat-Cattin could well have to answer to French Justice for other

transgressions. He could, for instance, have been involved in the activities of the French violent action group "Action Directe," often linked to "Prima Linea."

Thursday's arrest seems to have been a follow-up on seven other arrests of presumed members of "Prima Linea" last July, also in Paris. These seven Italian extremists were trapped in an apartment on Adamson Square, in the 6th district. Charged with murders perpetrated in Italy, they were extradited last October 25.

Last July's round-up was itself a follow-up on some surprising arrests which took place at the end of March and resulted in an extensive operation against "Action Directe." In this operation, the police seized Olga Girotto, a member of "Prima Linea" and holder of several hundreds of kilos of explosives obtained from the war chest of Pierre Conty, the "Killer of the Ardeche." Three more Italian friends of Olga Girotto were convicted of having participated in a hold-up in July 1979 at Conde-sur-l'Escaut together with members of "Action Directe" (1,600,000 F stolen from a savings bank).

Meanwhile, the French police obtained details from the Italian "assistants" on Marco Donat-Cattin's background. Born in Turin and the father of a 10-year old child, he is the third son of Carlo Donat-Cattin, one of the most influential leaders of the Christian Democrats and a minister several times.

Last May, his father had to resign his post with the Christian Democrats when Marco's membership with "Prima Linea" was publicized. The Italian leftist press even accused the father of helping his son escape by warning him of the government's suspicions.

As for "Prima Linea," they are one of the bloodiest terrorist groups in Italy. They are responsible for an impressive series of assaults and assassinations such as Judge Galli's, killed last March. Two hundred and six members of "Prima Linea" have been arrested to date. The Italian prosecution has important witnesses against them: two repentant terrorists.

6445

CSO: 3100

COMMUNAL LIBERATION PARTY FORMS SHADOW CABINET

Nicosia HALKIN SESI in Turkish 6 Dec 80 pp 1,7

[Text] TAK--At a press conference called yesterday, CLP [Communal Liberation Party] Chairman General Alpay Durduran criticized the government's policy pursued in the face of economic and political developments in recent days.

Durduran, who noted that a great crisis exists in production, claimed that, although the government holds the key to the solution of problems, it seeks to transfer every issue to Turkey.

Durduran asserted that 45 percent of the citrus fruit orchards have ceased to exist and that producers cannot collect payment for their crops and said that carrots have been proclaimed risky by the minister of agriculture and that the production of potatoes falls every year.

CLP Chairman General Durduran reported that the vegetable oil shortage continues, that olive trees are not being cared for because prices of crops are not satisfactory, that carob producers cannot recover their costs from their sales, and that tobacco production has ceased. He said that, because the possibility of unlimited exportation to Turkey has not been recognized, millions of eggs are being left to spoil each year, and milk producers, who have fallen into a helpless situation because they cannot meet expenses, have stopped production.

Durduran said that exportation in the industrial sector is being directed toward Turkey and that this serves the purpose of exploiting Turkey. He claimed that development of tourism remains limited because communications problems cannot be eliminated and that, due to a reduction of overnight tourists recently, this sector is experiencing bad times.

Foreign Policy

In addition to economic problems, Durduran spoke of foreign policy. He said that it is impossible to expect the government that has created the present-day economic impasse to be effective in foreign affairs.

Durduran asserted that the current government has become weakened at the bargaining table. He said:

"Two or three points have emerged as issues. An effort is being made to find the opportunity to grab onto these, which are known as Varosia and practical measures, to escape the current, and, thereby, to gain the initiative. However, the initiative or the freedom to take action is tied in with the character of the government. Those who have set the nation afire cannot become effective."

At the press conference, Durduran, who claimed that these people are in a difficult situation, but still rely on themselves, said that new horizons will open up before them when they are saved by the CLP.

Questions, Answers

Durduran answered several questions at the press conference. In response to a reporter who asked his party's views on fiscal policy, Durduran asserted that the KTFD [Turkish Cypriot Federated State] will be able to create a separate monetary unit when it attains a healthy economic structure that will ensure a balance in foreign payments. He said that this would be an economic measure and has no relation with independence.

In answer to another question, Durduran said that, after measures to protect tradesmen are taken, an end will be put to tourism activity directed toward Turkey and based on importation.

Durduran explained that his party believes in the need for the government to take a place at the side of the people in a mixed economy. He reported that his party's government will turn over cooperatives to producers and partnerships.

CLP Chairman General Durduran claimed that his party will be a candidate for the government in the 1981 general elections. In response to a question, he confirmed that, at the party's last congress, a "shadow cabinet" was formed to follow the government's actions until the general elections are held. He added that the names of the persons in this cabinet have not been announced, because that would lead to various speculations.

Durduran said that, in the government that would be formed when his party comes to power, there will be, besides deputies, technocrats.

11673

CSO: 4907

RAIF DENKTAS DENIES LEAVING NATIONAL UNITY PARTY

Nicosia HALKIN SESI in Turkish 21 Nov 80 p 1

[Text of statement made by National Unity Party Nicosia Deputy Raif Denktas]

[Text] In a statement made yesterday, NUP [National Unity Party] Nicosia Deputy Raif Denktas spoke of rumors that he will resign from the party. He said:

I understand that I have fallen into behavior contrary to party discipline by continuing to repeat, in part from time to time, to the press and from the assembly podium my anger and disgust at the failure to detect any development whatsoever in the administration despite criticisms I have made in bodies of the party for 4 years. For this reason, I am prepared to suffer the consequences by being sent before the disciplinary council in accordance with the party bylaws and even by being expelled from the party. My having served the organization to the best of my ability and my reluctance to leaving alone several colleagues who are presently working within the party prevent my departure. Therefore, there is definitely no thought of withdrawing from the NUP at this time.

However, I wish to announce that I cannot be responsible for a government in which I have no authority and no say at all. The points I bring out are the complaints and thoughts about the NUP of the broad masses directed toward the government.

Our chairman general, who, through his actions, is one of the deputies who is far removed from every NUP voter, characterizes discussion of wide-spread and constant judgments as "collecting points." In fact, for years now, it has been useless to expect to collect points through the actions of the NUP government. At this time, I must be content with this much of a statement.

11673

CSO: 4907

DENKTAS BLASTS GREEK-CYPRriot ATTITUDE

Nicosia BOZKURT in Turkish 7 Dec 80 pp 1,6

[Text] Kyrenia--State Chairman Rauf Denktas stated that, despite bitter, past experiences, the Turkish Cypriot community has proven its good intentions and love of peace by agreeing, once again, to the formation of a republic in partnership with the Greek Cypriots. Speaking last night at a dinner held by the Kyrenia Society, composed of English citizens living primarily in the Kyrenia region, State Chairman Denktas reported that the Greek Cypriot side is unwilling to create a federated state with the Turkish Cypriot side, because the Greek Cypriots want its administration to be looked on as the legitimate government of Cyprus. He said, "If the Greek Cypriots continue in this vein, the two sides will never be able to reach an agreement."

Agreement with Sound Guarantees

State Chairman Denktas noted that the agreement that will be made will be clinched with Turkey's guarantee. He said, "The agreement we reach on Cyprus will have sound guarantees. This will be an agreement cinched with Turkey's guarantee."

State Chairman Denktas, who gave a brief history of the Cyprus' problem from the Turkish point of view, stated, "From the viewpoint of the Turkish Cypriot community, the struggle has been a battle to avoid becoming a Greek or Greek Cypriot colony on an island that had become tied to Greece and that came to have a Greek Cypriot administration. It has been a struggle for freedom and human dignity."

State Chairman Denktas continued:

"The Turkish Cypriot side, despite very bitter experiences in the past, has proven its well-intentioned, peacemaking position by assenting to the establishment, once again, of a republic in partnership with the Greek Cypriots. However, through preservation of the title, 'Cyprus Government,' which was its illegitimate fruit of the 1963 attacks and actions, the Greek Cypriot community does not approve of the creation of a federated state."

It looks at all of our proposals from the standpoint of the government, as if it were the legal government, and it considers it clever to reject our normalization proposals, saying that they besmirch the dignity of the government. If the Greek Cypriots continue in this vein, it will be difficult for the two sides to reach an agreement, because under no condition will the Turkish Cypriot community look upon the Greek Cypriot administration as the government or be willing to submit to it a proposal giving it the appearance of the government."

Britisher's Question

A Britisher asked, "There are no persons who do not know of the years of Greek Cypriot oppression over you. We find it difficult to understand why, despite this cruelty and the Greek Cypriots' obstinacy and failure to reach an agreement in talks, you, as the Turkish Cypriot side, are making an effort to unite with these people and establish a federation. Why don't you just accept what is, say that you are comfortable in the north, and put an end to this affair?" State Chairman Denktas replied:

"It is our desire to learn a lesson from the leaders of enosis, from the leaders of Turkish Cypriot enemies, who brought Cyprus to the point of the 1974 invasion, the point of legitimate Turkish intervention in order to prevent this. That was my feeling the first time I talked with Clerides in 1974. When Makarios returned to Cyprus, everything changed completely, and no progress was able to be made until 1977. When Kyprianou came to power, things became even worse. Despite all this, it is our hope that persons who show some restraint and who see the facts will emerge.

"However, we are forced to keep our eyes more open than previously, and making a sound agreement that will not allow the past to be repeated is our major responsibility to our people and to our history. We have the right to demand every sort of guarantee since we will once again form a federation with a partner that has been deceptive many times. This is something necessitated by intelligence and logic. This will be an agreement such that, if the Greek Cypriots proceed with good intentions, the communities, in time, will become closer. If, however, the Greek Cypriots attempt to do away with this agreement and with the Turkish Cypriot community as with the 1960 agreement, then those who attempt to do so will emerge as losers. In other words, the agreement we reach will have strong guarantees. This will be an agreement that will be cinched with Turkey's guarantee."

11673

CSO: 4907

AGRICULTURAL COOPERATION PUT INTO EFFECT

Nicosia BOZKURT in Turkish 9 Dec 80 pp 1,4

[Text] An agricultural cooperation program between the Ministry of Agriculture, Natural Resources, and Energy and the Turkish Ministry of Agriculture and Forestry will be signed this afternoon. The three-person committee headed by Turkish Ministry of Agriculture and Forestry Deputy Undersecretary Osman Yavuz that arrived on the island Saturday in order to complete work related to the program is continuing making its contacts and inspections.

Topics

Minister of Agriculture, Natural Resources, and Energy Irsen Kucuk, who is involved in work on the program, reported that topics being discussed in talks with the committee include land and water studies, statistics and evaluation of laboratory work dealing with the preservation of produce, technical and professional publications, the status of tobacco cultivation in the KTFD [Turkish Cypriot Federated State], the raising of a strong wheat in the mountains, and the elimination of the need for seed for propagation.

Other Topics

Kucuk announced that work will also be undertaken to utilize, in Turkey, breeding livestock, eggs, table eggs, and young, butchered chickens that are produced in the KTFD and are not needed on the island; to ensure that veterinary inoculations are given on the dates established by the meat combine, produce the necessary vaccinations, and continue studies on the disease Brucellosis that strikes livestock; and to develop forests.

The agricultural cooperation program between the KTFD and Turkey will be signed by Minister of Agriculture, Natural Resources, and Energy Kucuk and by Deputy Undersecretary Yavuz on behalf of the Turkish minister of agriculture and forestry.

Denktas' Reception

Yesterday at 1100 hours, State Chairman Rauf Denktas greeted the delegation headed by Turkish Ministry of Agriculture Deputy Undersecretary Dr Yavuz, which arrived on our island in order to conduct agricultural inspections and studies in the KTFD.

Also present during discussions were Prime Minister Mustafa Cagatay and Minister of Foreign Affairs, Defense, and Tourism Dr Kenan Atakol.

Accompanying the committee, which is composed of Deputy Undersecretary Dr Yavuz serving as chairman, International Technical Relations Director General Alpaslan Pehlivanurk, and Budgetary Planning Coordination Assistant Director General Mehmet Ihtiyaroglu, during this visit were KTFD Ministry of Agriculture, Natural Resources, and Energy Undersecretary Altay Ali Haydar and Turkish Nicosia Embassy Agricultural Adviser Latif Gokcek and Agricultural Attache Metin Baytekin.

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CSO: 4907

POLL SHOWS SDP WOULD LOSE FIVE FOLKETING SEATS IF ELECTION HELD NOW

Copenhagen BERLINGSKE TIDENDE in Danish 7 Dec 80 pp 1, 21

[Article by Lisbeth Knudsen]

[Excerpt] The Social Democratic Party would suffer a big defeat and lose five seats if an election to the Folketing were to take place right now. This appears from the latest Gallup poll, which was taken during the very days when the discussions among the various government ministers on the interest deduction reform were at their peak. The Social Democratic Party would be the biggest loser in the election, together with the Progressive Party--and the Conservative Party and the Liberal Party would be the biggest winners.

An election to the Folketing now would mean that the coalition parties--the Social Democratic Party, the Radical Liberal Party, the Center Democrats, and the Christian People's Party--would lose their present majority in the Folketing. The Social Democratic Party would bear the main responsibility for this, with a loss of five seats, the Center Democrats would lose two seats, and the Christian People's Party one seat. The Radical Liberal Party would be the only coalition party to advance by one seat.

Advance of Left Wing

For the first time since the August poll, the Liberal Party is able to register a support among the voters which exceeds the election figures of the party from October 1979. The party would win an additional two seats if an election were to take place now, while the Conservative Party would gain as many as three additional seats. Ever since the October 1979 election, the polls have been showing a support of the Conservative Party far exceeding the party's election results.

The left wing would experience a considerable advance if an election were to take place now. The Socialist People's Party and the Left-Socialist Party, at present, have 17 seats in the Folketing. An election now would bring the Communists back into the Folketing for the first time since they got out of the Folketing in the election in October of 1979. The Communist Party would get four seats, and the left wing would thus get a total of 22 seats in the new Folketing.

A new Folketing right now would result in as many as four parties in the Folketing with only four seats. This applies to the Single-Tax Party, the Communist Party, the Center Democrats and the Christian People's Party. All four parties are

critically close to the 2 percent limit [rule requiring a party to win 2 percent of the votes cast in order to be represented in the Folketing; translator].

The poll was taken during the days from 15 to 28 November. Just on 15 November, the discussions on the interest deduction issue began with a positive reception on the part of the prime minister and the minister of internal revenue of a request from the Socialist People's Party for new interest deduction negotiations. Also the situation of the agricultural sector may have influenced the results of the poll this time.

On the basis of the figures of the poll, BERLINGSKE TIDENDE has worked out a table, showing the distribution of the seats in the Folketing if an election would be taking place now. The two members of the Folketing who are elected in Greenland and the two members who are elected on the Faroe Islands have not been taken into account in the distribution, only the other 175 seats.

	<u>Now</u>	<u>Poll</u>
Social Democratic Party	68	63
Radical Liberal Party	10	11
Conservative Party	22	25
Single-Tax Party	5	4
Socialist People's Party	11	11
Communist Party	0	4
Center Democrats	6	4
Christian People's Party	5	4
Communist Workers Party (KAP)*	0	0
Liberal Party	22	24
Left-Socialist Party	6	7
Progressive Party	<u>20</u>	<u>18</u>
	175	175

* [Marxist party with no affiliation to CPSU; translator's note]

Political Index

Question: Which party would you vote for if an election to the Folketing were to take place tomorrow?

Poll taken during period: 15-28 November 1980	<u>23 Oct</u> <u>1979</u>	<u>May</u> <u>1980</u>	<u>Sep</u> <u>1980</u>	<u>Oct</u> <u>1980</u>	<u>Nov</u> <u>1980</u>
	%	%	%	%	%
Social Democratic Party ...	38.3	37.4	36.7	37.9	35.7
Radical Liberal Party	5.4	5.6	5.9	5.6	6.4
Conservative Party	12.5	14.2	15.0	14.0	14.1
Single-Tax Party	2.6	2.0	2.7	3.2	2.5
Socialist People's Party ..	5.9	7.6	5.8	6.3	6.1
Communist Party	1.9	-	-	-	2.2
Center Democrats	3.2	-	2.2	2.4	2.3
Christian People's Party ..	2.6	2.0	3.7	2.6	2.3
Communist Workers Party KAP	0.4	-	-	-	-
Liberal Party	12.5	12.8	11.8	12.2	13.5
Left-Socialist Party	3.7	4.4	4.3	3.0	4.1
Progressive Party	11.0	10.6	9.6	10.5	10.3
Other parties*	-	3.4	2.3	2.3	0.5
Total	100.0	100.0	100.0	100.0	100.0

* Parties with less than 2 percent of the votes

Reprints subject to giving the Gallup Institute and BERLINGSKE TIDENDE as source.

7262

CSO: 3106

PAPER COMMENTS ON REASONS FOR DROP OF SDP IN POLL

Copenhagen BERLINGSKE TIDENDE in Danish 7 Dec 80 p 12

[Editorial]

[Text] The Social Democratic minority government has got a weak basis. The political survey by the Gallup Institute, published today in BERLINGSKE TIDENDE, confirms this. The Center Democrats and the Christian People's Party are very close to not being represented in the Folketing. Anker Jørgensen bases himself on parties which probably would not be there if an election had taken place. They have got their seats as long as there is no election, but the question is how political parties will act when they have got this risk hanging over them. They will do everything in their power to prevent it from happening. They will choose positions which can ward off the disaster. For that reason, they will be concentrating much more on giving the impression of being enterprising and independent than being willing to arrange the compromises required by the cooperation with the Social Democrats. They, therefore, are not suited to be part of the cooperation which is necessary to develop and carry through the policy which the country needs. For the crisis of the society requires that a policy be pursued which has got a firm basis and which will outlast the next election. What we need are years of persistent efforts.

Anker Jørgensen will maintain that the cooperation among the Social Democratic Party, the Radical Liberal Party, the Center Democrats and the Christian People's Party is the only cooperation possible. He did not have the strength to carry through the government cooperation with the Liberal Party, whose very goal were efforts extending beyond a single election period. In this way, he has forced the Liberal Party as well as the Conservative Party into a position which more or less excludes them from having any real influence on what is happening in the Folketing. He has placed the government in a situation where it has to move from one compromise to the other with small parties which act out of fear for their fate. He has renounced a cooperation with the section of the Folketing which stands for continuity and stability.

If one could wipe the slate clean, this would benefit the society. One could then put the clock back and establish the cooperation which ought to be created between the Social Democratic Party and the old parties. One could then give the Folketing its backbone back. But in politics one cannot wipe the slate

clean. What one has done has been done. There are only two possibilities to choose from if the willingness for such cooperation is to manifest itself. One possibility is an election which creates a new situation. The other possibility is a new prime minister. But there are no prospects of either taking place.

7262
CSO: 3106

CONSERVATIVES' DEFENSE SPOKESMAN COMMENTS ON BUDGET DEBATE

Copenhagen BERLINGSKE TIDENDE in Danish 7 Dec 80 p 12

[Article by Palle Simonsen, M.P. (Conservative Party), chairman of the Folketing Defense Committee]

[Text] In 1981 the government will be pursuing its security and defense policy together with the Radical Liberal Party. A large number of the members of the Folketing--probably 76--will want an increase in the budget by 3 percent as from the expiration of the present defense agreement on 31 March 1981. The Social Democratic Party completely ignores this, despite the fact that the Social Democratic Party has still got a considerable number of pro-defense members of the Folketing and not least pro-defense voters.

It is a very great responsibility which the Social Democratic leadership is undertaking by its persistent opposition to the increase in the defense budget, the only objective of which is to maintain the defense at approximately the present level.

The government's position in the present situation is actually tantamount to an abuse of the extremely cautious attitude on the part of the other defense agreement parties which can be solely attributed to their desire to prevent the security and defense policy from becoming the object of a political game. Within the Conservative Party we have always given a very high priority to a broad political agreement on the defense program, but there are, of course, limits to one's patience. In the questions on the economic framework of the defense program as well as the passive attitude of the government to further reinforcements and the depots connected with them, the government would have deserved an equally strong opposition as the opposition one experiences in connection with the economic situation, the energy situation and similar issues.

Process of Undermining

During the lull in the negotiations for a future defense agreement, it is to be hoped that the Social Democratic Party will come to realize this state of affairs and will come to a recognition of the serious nature of the situation. As mentioned before, it is likely that, at the voting on the 3 percent increase in the budget, the increase in the budget will be supported by more mandates

than those held by the Social Democratic Party. It, therefore, is absolutely inconceivable that ten mandates of the Radical Liberal Party are able to influence the government the way they are doing.

The Danish defense is in a most serious situation. After a period, especially during the last half of the seventies, when some of the equipment was replaced or modernized, a process of undermining is now developing rapidly. This process is being further intensified by the government's zero-solution for 1981.

This problem will not be solved through the government's much praised price and wage adjustments of the budget. The fact that members of the government refer to the importance of the increase in the defense budget from 1980 to 1981 from approximately 7.3 billion kroner to approximately 8.1 billion kroner is actually disgraceful. As in all other areas, this, of course, has been caused solely by the inflation and will not give 1 krone worth of more defense.

The defense budget is subject to two evils, viz. that approximately 60 percent of the budget is spent on salaries and wages and that the increase in the cost of the equipment, on account of the technological development, is considerably higher than the increase caused by the inflation. The argument concerning the automatic price and wage increases is, incidentally, just as untenable as the one used when the government re-enters the 100 million kroner which, contrary to the present defense agreement, was saved in 1980. At the time, they said that they would do this. In other words, it is no heroic feat.

All of this leads to the main question whether the government has got the political willingness to live up to the defense policy objective till now.

Situation in Thirties

As is often mentioned in the defense debate, the government chiefs of the NATO countries decided in 1973 to increase the defense budgets (the famous 3 percent) against the background of the security policy situation, which since then has become further aggravated, among other things, on account of the events in Afghanistan. Denmark is actually the only NATO member that has not, in principle, been following this decision. One sees examples of a few countries not following suit for a year or so, but they have started.

The desire to increase the defense level of the NATO countries contrasts sharply with Denmark's situation where the 3 percent increase per year in terms of fixed prices will only approximately prevent reductions in the defense. Everything considered, Denmark's defense policy situation is more serious--nationally as well as internationally--than may normally be deduced from the public debate.

These problems should not be solved on the basis of opinion polls but solely against the background of the deeply alarming information on developments in the world which the government more than others receives. It is, therefore, political courage and willingness that is primarily needed to prevent us, in the eighties, from getting back into the unfortunate defense policy situation of the thirties.

TOP MILITARY LEADERS ON PLANS FOR 1981

Lt Gen Poeppel Interview

Bonn WEHRTECHNIK in German Dec 80 pp 15-18

[Interview with Lt Gen Hans Poeppel, Army inspector-general, by Wolfgang Flume: "Savings Cannot Be Made in the Army's Principal Weapons Systems"]

[Text] This year and next year, the Field Army will be reorganized according to the new Army Organizational Structure No 4 and the Territorial Army, according to Lt Gen Hans Poeppel, inspector-general of the Army, in the following interview, will follow by the middle of the eighties. As a result of the transfer of weapons systems turned over by the Field Army and other measures, the Territorial Army is to be given considerably greater combat strength. In the future likewise, the battle tank, according to Lieutenant General Poeppel, will remain the central weapons systems for defense; in addition, it continues to be necessary to provide armor protection for the infantry. Questioned on the future battle tank and the concept for the armored combat units of the Nineties, the inspector-general stressed that the Germans and the French might arrive at the view that the new battle tank need not become something completely new and that, after the solution to the question of "wheels or tracks" for the vehicles of the armored infantry, the MARDER might well have a less complicated follow-on model.

WT [WEHRTECHNIK]: The reorganization of the Army in line with the Fourth Organizational structure began a few weeks ago, on 1 October. The reorganization is to be carried out by 1985 in several coordinated steps. What measures are going to be carried out in 1980 and what kind of main effort can we expect for 1981?

Lieutenant General Poeppel: Preparations for the reorganization along the lines of the new organizational structure were very careful to avoid difficulties in the organizational and social sector. This produced a situation in which we can do our reorganizing at a calm pace. This year, on 1 April, we reorganized the armored training brigade--so to speak, as the vanguard. In the course of three semiannual steps leading up to 1 October of this year and 1 April or 1 October of next year, we are going to reorganize four divisions, each. The Territorial Army will be reorganized somewhat later because that will depend partly on the transfer of major

equipment units surrendered by the Field Army, on personnel reinforcement or the establishment of some major new units. But we ought to be finished with that, too, by the middle of the Eighties.

WT: How long will the reorganization in the divisions themselves last?

Lieutenant General Poeppel: We basically need about a quarter of a year for that--but that does not mean necessarily that every soldier will by then already be at his new station.

Less Complex Systems

WT: On 25 June 1980, you briefed the Defense Committee on the concept for the armored fighting units of the Nineties. Is this concept already a part of the new army organization structure and what are its special features?

Lieutenant General Poeppel: I certainly do not intend to go down in history as the creator of a new army organizational structure--so that the concept as such has nothing to do with that. Our basic planning concepts for the Nineties are founded on the 4th Army Organizational Structure. The objective is to utilize the unique opportunity of creating a new interrelated weapons system as a result of the coincidence of the half-generation change for the battle tank and the full generation change for the APC. The tactical-technical effectiveness of the individual systems are to be so connected with each other that the effectiveness, resulting from mutual supplementation, will be increased. In other words, we are supposed to be coming out with something far more than a kind of relief. We are trying to work toward that which is less complex, not only for cost reasons but also because, with the LEOPARD 2, we are already close to the limit of what we can handle with our draftees. In the case of the armored infantry, we will have to make sure that the "overloaded" MARDER weapons system in the new configuration will at least have one component less. The armored infantry squad, the mounted cannon, and the MILAN: All of this has become too complicated and we cannot even use all this in an optimum fashion any longer.

WT: Should the deliberations on wheels or tracks also be viewed against the background of the desired reduced complexity?

Lieutenant General Poeppel: At this time we are very carefully investigating the question of wheels or tracks. We realize clearly that we can achieve savings by means of wheeled vehicles. But on the other hand we depend on terrain conditions and the nature of the soil in Central Europe and we also depend on tactical requirements. We certainly have a very closely-knit road net. But so long as a potential enemy, by running on tracks, can move "cross-country," we are not going to be able to do without that.

WT: The autumn maneuvers of the West German Armed Forces and their allies this year received rather good press. What lessons did you learn from the maneuvers?

Lieutenant General Poeppel: Such exercises give the political leadership and the military command a good opportunity to get an idea of the capacity of the units. We can see whether the various headquarters are able in a flexible manner to adjust

to new and surprising situations and to make the best of them. Besides, cooperation with the Air Force can be further improved and, third, cooperation with our allies can be developed in depth and that is even an indispensable requirement. And we can also see how, for example, a brigade based on the new organizational structure looks in actual operation as compared to the old-type brigade. The GEPARD proved itself fully. The movements of the army's mechanized brigade can now be handled over large areas on the battlefield also during the day, even if we do not get complete air cover from the Air Force. I am particularly happy also over the fact that our AT helicopter concept proved itself. The PAH [AT helicopter] flights were able to achieve great success. I would like to stress that, in future exercises, we are not going to leave hits on target only to some sort of simulation but that we are going to use a technical device for hit confirmation, something like TALISSI.

Let me say one more word about our training experiences: I was surprised how snappily the various headquarters performed their leadership functions and above all by the way in which they quickly commanded from their position at their normal duty stations. We can also record progress on the platoon level. I am particularly happy about that because this is one of the critical points which I have put on my agenda. And there is something that we keep observing over and over again: The action readiness of the men, in response to higher requirements, again was particularly high.

WT: What about cooperation with the Air Force?

Lieutenant General Poeppel: Last year already we made definite progress in air space control and our methods have now been refined. We were able to extend mutual leeway in operations even further. Both elements were able to operate side by side in a freer fashion, both in terms of time and in terms of space.

Better Information

WT: Were there also some critical observations to be made?

Lieutenant General Poeppel: Yes. The observers had to note that the information level of the soldiers involved in the exercises--be they tank drivers or gunners--was too low as far as the situation was concerned. Many simply came along for the ride. Here we are going to have to take measures aimed at better informing the soldiers prior to their particular mission in order further to improve their motivation.

WT: In the summer of this year WEHRTECHNIK visited an armored battalion of the army by way of preparation for an article. While the equipment was presented as being capable of being mastered by the men, WEHRTECHNIK nevertheless does believe that there are problems in the infrastructure, consisting partly of insufficient exercise areas and building structures and, in terms of personnel, excessive work loads and insufficient promotion opportunities. Do you believe that this situation can be remedied in the near future?

Lieutenant General Poeppel: Let me answer that questions point by point.

Looking at the garrison exercise areas, the situation varies greatly but on the average the army is satisfied. We only have to make sure that there will be no

further restrictions here. If we release some areas on weekends for use by the population as recreation areas, we must not as a result find ourselves with a situation where those areas in the end remain civilian recreation areas.

The inventory of larger exercise areas, where most of the exercises of the armored units are carried out, is, to be sure, large in Germany but, when measured against the unit density, it is not big enough because our allies after all are also running their exercises in those areas. We were able to reduce our firing program, last but not least by using simulation equipment, so that we gained one day per week more for exercises rather than range firing in the exercise area. But none of that can prevent a situation where we must also conduct our exercises out in the open terrain; the stereotyped landscape of the exercise areas is not at all exemplary for Central European terrain.

The infrastructure is almost my biggest worry; here the army is definitely at a disadvantage as compared to the other services. I am trying to balance the situation out especially since the new, complex weapons systems in particular require corresponding buildings for maintenance but also for training.

Now, regarding personnel: Because training expenditures today are very heavy, precisely on account of the complex weapons systems, we very much regret the fact that the duty tours for NCOs often are relatively only short. If we were to offer our NCOs more incentives for signing up for longer duty tours and if we were thus to give them a chance to be promoted to the rank of sergeant, then the higher pay would be more than compensated for by the savings in training and reduced costs for equipment wear and tear which simply results from the fact that the equipment is being operated always by new people who have not handled it before. This is where we are going to have to find some solutions, especially since there are solutions that are better for the national economy as a whole.

WT: About a year ago, the first LEOPARD 2 battle tank was turned over to the army. What are the lessons which the units have learned so far from using this most modern combat vehicle of the army?

Lieutenant General Poeppel: So far we have gotten the LEOPARD 2 for the training brigade at the II Combat Unit School. It would be a big surprise if we were not to run into some so-called childhood diseases in a newly designed weapons system. Because we dropped a zero series in order to save money, we deliberately reduced the rate of delivery to the units in the beginning. That makes it easier for us to get a complete handle on the system. The shortcomings asserted in an article in DER SPIEGEL simply are not accurate; on the contrary, the firing performance is great and the mobility at any rate is optimum.

The possibilities presented by this new system are very great. The crew must be in a position to make use of everything and not just some parts. We will therefore have to require higher personnel qualifications for the tank commander and that can be achieved through longer tours of duty.

WT: When is the first "standard" armored brigade going to be equipped with the LEOPARD 2?

Lt. General Poeppel: The 8th Armored Brigade will follow on 1 April of this year.

WT: There has been much talk recently about a German-French battle tank for the Nineties. Could you once again explain to our readers the army's most important requirement for a new battle tank?

The Model 90 Battle Tank Must Not Become Too Expensive

Lieutenant General Poeppel: The primary requirement is that it must not become too expensive. The LEOPARD 2 is today a technically optimum battle tank for us. Now we must try to find out what components are still worthy of improvement for the Nineties. The issue here is not to develop that which is technically possible but that which is tactically necessary. We are currently in the concept phase. In many areas we agree with the French Army. The future will show whether the French can also arrive at the opinion that a completely new design, from the development cost angle already, will be way out of proportion to the gain in terms of progress. We are working toward the kind of development which will be based on existing elements, which will give us an increase in reliability and an increase in availability. We will also make sure that the new battle tank will not become heavier than the LEOPARD 2.

WT: It has often been said that the Ordnance Department would love to cooperate with France but that the army is rather skeptical toward this kind of collaboration.

Lieutenant General Poeppel: I would like to make one thing perfectly clear on that score: There are no parties or front lines here in the Ministry. Possible cooperation depends on various factors. Our industry is trying to hold on to its market. On the other hand, there is a definite political interest in cooperation. Naturally, logistic considerations also carry weight. All of these are things which we must take into account.

WT: During the next several weeks, the army is going to get the first few PAH-1; they are supposed to operate from our own lines. The Warsaw Pact on the other hand to a great extent employs attack helicopters which also reveal mixed armament, in other words, also for engaging semihardened and soft targets. How and with what measures is the army countering that threat?

Lieutenant General Poeppel: The other side's heavy equipment with attack helicopters might turn out to be the wrong kind of investment in view of the high AA defense capability of our army with the help of the GEPARD or the cannon on the MARDER. The GEPARD is a very effective system precisely against the attack helicopter on account of the range and performance capacity of the 35-mm guns. The HIND has a big silhouette and, if it wants to use its on-board weapons, the unguided rockets or the on-board cannon, it must climb to higher altitudes. Besides, the identifiability of units in position from an attack helicopter is very limited. On the other hand, with our AT helicopter, we remain on the safe side--beyond the range of enemy air defense.

WT: This weapons system is a part of the army concept which emphasizes mobile action against tanks. How do you see the concept and role of the ground forces today and in the future?

Lt General Poeppel: There will be no change in the length of the conceivable, 1,400-km long front line of which the German corps are going to have to cover presently about 55 percent. The NATO defense concept will stand and fall with the principle of forward defense, that is to say, as one of the first-line services, the army must be able, with its standing units, rapidly to move into the defense sectors and it must be able to put up a defense near the border. Only from this concept can spring a defense readiness, such as we need it today and tomorrow, in order to get the corresponding performance out of the taxpayer's money and from our draftees. The planners of a concept for the end of the century must therefore start with the present-day number of principal weapons systems. If they reduce that number and if the principal weapons systems can no longer reach each other with observation and fire, then forward defense would no longer be possible because of the failure to cover the area involved. Savings therefore cannot be made in the principal weapons systems but, if necessary, would have to be made in the sector of combat support, logistics, or in the miscellaneous sectors or in management. Consequently, the number of battle tanks cannot be reduced--although excessive optimization should be avoided in order to save money. The battle tank remains the central weapons system for defense--in a certain combination with AT weapons of various range and the weapons of the armored infantry. Light infantry as an alternative can be ruled out already by the fact that the Warsaw Pact only has armored formations--in other words, it is not going to attack laboriously through the woods or the cities but will try, by means of rapid thrusts in depth, to gain ground in order to create accomplished political facts. I would be very happy if I could get light infantry in addition to our armored infantry. But I cannot swap it for armored infantry. Without armor protection for infantry, we cannot operate tomorrow and the day after tomorrow.

Improvement of NCO Training

WT: In our interview a year ago, you mentioned some points for us to which you wanted to devote your special attention, for example, improved training for lower-level unit leaders, and so on. How satisfied are you with what has been achieved so far?

Lieutenant General Poeppel: Systematic progress has already been made this year. The improvement of NCO training has been approved by the high command so that the new training course is applicable for the NCO training program as of 1 October. Part II with more individual leadership and methodology, starts on 1 January and the 4-week supplementary training course for longer-service NCOs will follow starting at Easter.

WT: Does this mean that the fledgling NCO will still have to take more training courses and in other words be less available in the various units?

Lieutenant General Poeppel: No. The fledgling NCO will be assigned to the NCO training course only later, in other words, he will get more full-scale training in the unit. In Part I of the NCO training course, he will get a very systematic basic training for 3 months in the battalion. During Part II which likewise lasts 3 months he will attend a school. But there is another objective directly connected with that: The improvement of individual and crew training. We must provide more realistic training and here again we are on the right track.

WT: Did you not also want to emphasize the territorial army more?

Lieutenant General Poeppel: Yes, we have started a broad spectrum of measures here, such as improvement in officer career opportunities there, transfer of young and particularly qualified general staff officers, improvement of training aids with more intensive training courses at the I Combat Training School which has now been made responsible for training the Territorial Army. For example, all VBK [defense district command] and VKK [defense subdistrict command] commanders are to be assembled for training courses there. Finally, we might also mention the fact that the Bundeswehr [West German Armed Forces] map exercise in November will revolve around the following topic: What performances do we demand of the Territorial Army and how is it going to cope with those requirements?

WT: What will the year 1981 bring for the army? Which areas are you going to stress?

Lieutenant General Poeppel: First of all, we are going to complete the reorganization in the Field Army according to Army Organizational Structure No 4. It has turned out that we have had few difficulties in the social sphere so far--but here we will in the future be dependent on promises which were given to us in the personnel and infrastructure areas. If those funds do not come through, the Army Organizational Structure No 4, with all of its advantages, will not be implementable. A mix in the structure however would be worse than if we had stuck with Organizational Structure No 3.

In 1981, the army will increase its fighting strength further: We are going to get additional LEOPARD 2 tanks and PAH-1 and in 1981 we are also going to get the ROLAND.

As for my own emphasis and intentions: I am very much concerned with reducing the "commander shortage" in the army. Absence from the unit due to "detached duty" connected with too many training courses, etc., in the meantime has taken on dangerous forms; not all training courses are absolutely necessary and they do not always give the individual that which he needs for his advancement. This is where we are going to have to exercise more control.

I also stressed training on the squad and platoon levels--partly even at the expense of larger combat exercises. I will stick to that critical main point. Our objective is the action-ready, trained unit element. The enhanced strength of the 4th Army Organizational Structure will be fully unfolded only if the measures in the area of education and training take hold.

Lt Gen Obleser Interview

Bonn WEHRTECHNIK in German Dec 80 pp 18-22

[Interview with Lt Gen Friedrich Obleser, Air Force Inspector-general, by Wolfgang Flume: "We Have To Review Some of Our Habits Which Have Become Dear to Us"]

[Text] The year now ending brought the Air Force the introduction of two new weapons systems, the complex TORNADO combat aircraft and

ALPHA JET close-in air support aircraft. Lt Gen Friedrich Obleser, Inspector-General of the Air Force, stated that he was extremely satisfied with these two new systems which can be handled without any personnel increases. And the critical comments, which have often been played up big in the daily and weekly press, so far have not given him any grounds for disappointment; instead, they are the foundation for solving problems so as to master the system in an even better fashion. "And there is one thing one should not forget--the Air Force so far had the biggest problems with ready-made equipment, for example, the F-104." In the traditional WEHRTECHNIK year-end interview, General Obleser also commented on questions of armament for the new aircraft weapons systems--here one must also consider the possibilities inherent in the Alliance--the start of training for AWACS crews, and the question of low-level flight training and the avoidance of excessive noise pollution for the population. Questioned on the tactical fighter, he emphasized that, in spite of certain somewhat closer views, a common design has not yet been worked out and that a decision must be made for joint development at the very latest next year. The year 1981 will also be characterized by the fact that we should not think only in terms of the threat but that we must also try to figure out alternatives and this will mean that "We are going to have to review some of the habits which have become so dear to us."

WT: Looking back, what in your opinion were the characteristic features of this year in the Air Force--what were the high points?

Lt Gen Friedrich Obleser: For us, 1980 was the first year of a decade characterized by the introduction of a new generation of equipment. In 1980, we introduced the first ALPHA JET aircraft and the first TORNADO series-produced aircraft were turned over to our training establishment. There were no parallels for both of these events during 25 years of West German Armed Forces existence. Both systems for the first time, from the drawing board all the way to introduction into the inventory and the attendant problems of design, training, and logistics, represent a yardstick for our ability. During the long development time we were far-sighted enough so that the result also corresponds to an altered situation. In both cases I must say, looking at it from today, that our activities during the preparatory phases paid off. Of course, this was not possible entirely without problems; in the case of the ALPHA JET for example we had to deal with the problem of getting some of the accessory units which are required for full-scale utilization. And naturally we are going to have to continue to think about the concept aspects of ALPHA JET employment. Nevertheless, our expectations were realistic and there were no big problems in spite of all of the squawking. That was no surprise to me but I was surprised by the commitment of our men who have to deal with the new weapons system.

Roughly the same applies to the TORNADO aircraft. On the whole, the program is running on schedule, independently of some technical or production delays in the past.

Conversion training for our first crews was accomplished without problems; the mastery of the new systems produced good results. Completely new systems with completely new tasks can be handled without any increase in personnel--and that was the most positive and the most satisfying thing for me this year--and it gives me a feeling of certainty for the future to the effect that we can solve the problems and accomplish the tasks ahead of us.

WT: But we do quite often read in the daily and weekly press about so-called defect reports on new weapons systems from which one can quickly conclude as to mistaken developments and losses running into the billions. What is your evaluation of the shortcomings mentioned in those articles, for example, regarding the TORNADO?

Lieutenant General Obleser: The preparation for the introduction of new weapons systems also includes some very critical evaluations of individual factors, such as logistics, maintainability, infrastructure, etc. We are very much concerned with objective criticism because that is the only thing we can base our plans for the future on. Naturally, in any critical contemplation of any new system you are going to be bound to find things that can be improved--but that is precisely the purpose of an advanced maintenance feasibility study. Necessary improvements by no means constitute disappointments for us; instead, they are a big help in giving us a clear understanding where we are going to have to put our critical main effort points in the future. So far, none of the deliberately critical investigation reports has been a disappointment to me. Problems have to be solved one way or another and all of the ones we have encountered so far can be solved. My endeavor therefore is aimed at solving the problems that still exist prior to the introduction of the weapons system. And there is one thing nobody should forget: The Air Force so far has always had its biggest problems with ready-made equipment, such as, for example, the F-104G STARFIGHTER.

WT: In connection with the ALPHA JET you have just mentioned considerations on the concept side of employment. Does this mean that the ALPHA JET is supposed to be employed not only for close-in air support?

Lieutenant General Obleser: Surely, we have not yet fully exhausted the possibilities offered by the ALPHA JET as a weapons system. There is one more potential which we want to explore for the future in order to utilize its outstanding qualities also with a view to the adaptation of the equipment and weapons loading. The primary mission, for which the ALPHA JET was designed, in other words, close air support, can be completely accomplished by that aircraft.

WT: Air Force must cope with certain financial problems in the TORNADO program. What are the effects of that on other Air Force projects? Or, to be more specific, will the procurement of new on-board weapons especially for the new aircraft be threatened as a result of that?

Lieutenant General Obleser: Every military planner knows that not everything can be procured all at once; by the way, this would also be senseless because the development times for military systems vary greatly. In the case of airborne weapons systems, that takes 10-12 years; for the weapons of those aircraft, it takes about 5 years--except in the case of weapons which are totally new in terms of the technology involved, for example, the MW-1, whose development we began

almost simultaneously with the TORNADO. In this way we were able to make sure that we would get the TORNADO issued to the units by the time the weapon is also available. But I would also like to point out that our present-day weapons, such as the BL-755 and the Matra bombs, are entirely still up to the standard which is considered modern in NATO, in other words, weapons with which we can hit a large portion of our targets. The fact that, in the future, we will assign greater significance to the third generation of weapons is a consequence of the change in the defense threat to our delivery vehicles--in the light of altered conditions, some of the targets can now be engaged only very uneconomically with the weapons systems we have had so far. When it comes to financing, certain requests will always remain unfulfilled and the question of delivery and stockpiling however is not just a national matter; here we must consider the possibilities inherent in the Alliance because we are not going to be engaged in a defensive fight all alone.

WT: A few months ago, like your fellow officers from the other services, you wrote a letter to Minister Apel and you alerted him to certain financing troubles. What were the consequences of that letter? For example, is the inventory survey, announced for the start of next year, a direct consequence of that letter?

Lieutenant General Obleser: I would like to make it clear here that I did not write a letter to the Minister but rather that I communicated certain thoughts and hints to the Bundeswehr Planning Director, in other words, the Inspector-General. That however was not a fire-and-brimstone letter; instead, it involved a presentation of planning arguments specifically connected with the Air Force.

No Money Allocation Fight

WT: In other words, the starting gun for a money allocation fight?

Lieutenant General Obleser: There is no money allocation fight here on Hardt Heights--that is one thing I want to make perfectly clear. The problems of overall defense are by far too serious for those, who bear the real responsibility, to think that something could be changed as a result of some kind of skirmish. The idea that a little more or a little less would make a big difference, that is completely secondary; the question is how and to what extent we can accomplish our common mission in keeping with the threat. There is no jealousy and there is no prestige-hunting among us on the echelon of the Inspectors-General. Sometimes our staff members, based on tradition, advocate one thing or another for their individual services but that must not be exaggerated; instead, it is evidence of our commitment. And you must after all view the big picture and have more of a grasp of the situation as a whole.

WT: Early next year, the first AWCS aircraft will arrive in Germany for equipment. The industry has made the corresponding preparations for this. What about the Air Force in that connection? Has the personnel perhaps been selected and trained already?

Lieutenant General Obleser: Yes, our personnel earmarked for the AWACS will be trained and assigned in annual phases. The training of key personnel is being conducted here in West Germany and in the United States--locally with more technical training, over there more in terms of system training. I start with the assumption that the introduction of AWACS into the NATO defense concept will take place according to plan.

WT: How big is our West German personnel share?

Lieutenant General Obleser: Our share, based on the contract, comes to about 700 people. Because the unit's home base will be Gellenkirchen, we have an excessive share of ground personnel and civilian employees, including the technical sector, and we have a proportionate share out of the command personnel and the flying personnel.

No Fan Trainer

WT: The fan trainer is not supposed to be procured--and this was partly justified in the light of changes in the training concept of the combat observer. What does this training concept look like now?

Lieutenant General Obleser: Combat observer training, especially for the TORNADO, cannot be fully accomplished with our facilities. Modern avionics requires very intensive training which cannot be given here. Thus in the future, the combat observers for the TORNADO but also those for the F-4 will require a quite different training course in order to increase their combat value and this will continue to apply in a growing degree; after some time, they will probably be trained exclusively together with the Americans in the United States. This means that a fan trainer is no longer needed. For the other mission assigned to this aircraft--screening, in other words, airborne advance selection--we still have the PIAGGIO P-149 available to us for several years.

WT: Several PHANTOM aircraft of the Air Force flew in Goose Bay in Canada, for several months, in order to test the training possibilities for low-level flights there. What lessons have you learned from that so far?

Lieutenant General Obleser: Our expectations proved to have been correct. The possibility of doing some realistic flying, both in terms of flying altitude and sortie execution, is available there. And in addition to the greater realism in training over there we can also avoid noise back here in West Germany; here, flight training operations are becoming less and less realistic because of ever new restrictions. But any kind of training abroad naturally costs lots of money.

WT: Are the F-4 and TORNADO aircraft also to be transferred to Canada?

Lieutenant General Obleser: Yes--first of all for the flight season which is possible there from May until September, we want to send several F-4 aircraft and later on possibly also TORNADO aircraft for low-level, terrain-hugging flight training; but the latter is a question which we are going to have to discuss with the British and the Italians.

No Infrastructure Problems

WT: During some unit inspections in recent times the editors noted that personnel and infrastructure problems are emphasized in the units. What is the situation in the Air Force in this sector? Are you also having difficulties in finding sufficient and qualified electronics specialists?

Lieutenant General Obleser: The Air Force, as the more technically oriented service, from the very beginning has always been very much concerned with training skilled personnel so that we have a certain lead here. Along with the new weapons system, we naturally also get an increased requirement for specialists so that additional efforts and new training courses were necessary. The introduction of digitalization, the necessary software care, etc., will result in a change in technical training. Overall, however, we have good prerequisites in the Air Force when it comes to keeping up with those things.

The Air Force can also be very satisfied regarding the infrastructure. First of all, we had a good starting base because of the airfields taken over from the Allies; and besides, our infrastructure requirements in the past were met very nicely. We are not at a disadvantage as compared to other services. But there is one thing we must keep in mind: The Air Force after all fights from its facilities. Our airfields are not just our places of work but they are also our battlefield, our trenches, our assembly areas and our combat zones. That requires certain infrastructure prerequisites, for example, aircraft shelters.

WT: Low-level flights by West German Air Force aircraft and aircraft from foreign air forces in some regions have become a real problem for the population because of the noise. Are improvements possible here, in addition to stepped-up flight operations abroad--you mentioned Goose Bay earlier--for example, by means of the greater distribution of low-level flying patterns, in other words, avoiding peak loads in certain places?

Lieutenant General Obleser: We have been trying for several years to avoid peak loads resulting from the channeling of flight operations. If one realizes what new flight restrictions were introduced over the past 4 years, one will see that loosening up flight operations will be very difficult and these restrictions as a matter of fact lead to channeling. I would like to stress that there are no low-level flight patterns during the day; we are trying instead to distribute low-level flights as well as we can, to the extent that this is possible in the light of the restrictions imposed upon us. The big problem is the large number of Air Force flights and those by our allies and the constantly shrinking area available for that. By setting up an information center, we tried to get a picture of aircraft movements. The next step would be the avoidance of concentration points. If the number of letters of complaint is any guidance at all, then I can say that understanding for us has grown in certain areas. Our efforts are being appreciated. And the content of the letters has also become more objective. Besides, we are trying to fly as much as we can abroad. I mentioned Goose Bay earlier. We have for quite some time been flying out of Decimomannu and out of Beja in Portugal and Cottesmore in England and--to the extent that money permits--we also are happy to accept invitations from friend air forces for short-term visits to do some flying in their countries.

WT: During the Nineties, the Air Force will need a new combat aircraft. In the early summer of this year, the European industry proposed a joint design to the air forces of Great Britain, France, and Germany, which did not meet with unanimous approval at your headquarters. Could you once again explain your requirements for this aircraft?

No Renunciation of Airborne Air Defense

Lieutenant General Obleser: By the start of the Nineties, our F-4F aircraft will have been in service about 20 years and then the PHANTOM will no longer be able to perform its mission. The question for us now is how we are going to accomplish our mission then, in the light of the threat. Because the airborne threat in recent years has increased very much, we cannot get along without a boost in our air defense. First of all we are therefore trying, wherever possible, to strengthen our ground-based air defense; here, a number of things have happened to the command systems and here we are going to have to replace the NIKE HERCULES. But that is not enough either. We cannot do without flying air defense and NATO is with us on that. What the new aircraft must be able to do has been studied in detail and has now been spelled out.

We can understand why the British, on the basis of a different type of threat, arrived at different results. Although in the meantime we have achieved a certain approach in working out the requirements for this aircraft, this is not yet enough for a basic concept for an aircraft to be developed jointly. Industry likewise concluded that, considering the presently differing ideas on the performance parameters, joint development and production are not economically sufficiently justified--the degree of commonality is too low. This is the way things stand right now but we are continuing to negotiate. More recent investigations resulted in a certain approach regarding the role priority but this likewise is not yet enough to start development. As a military man I can only specify what I need to accomplish the mission--but beyond that there are other tasks involved in preserving the peace. They must be weighed against each other and that is what the coming situation survey is supposed to accomplish.

WT: Do we still have time to talk a lot about the TKF [tactical combat aircraft]? Is the situation not gradually getting to be somewhat critical in view of the fact that the TKF is supposed to come out at the beginning of the Nineties because, after all, 10-12 years of development time are going to be required?

Lieutenant General Obleser: That depends on the type of procurement. If we have to develop a new engine or if we want to have entirely new avionics or a new air frame technology, then it is certainly high time. The question as to whether we can and should develop this jointly is going to have to be decided at the very latest next year. In case of purchase--which however, the way things look now, does not appear very probably--we would have even more time.

WT: During the next several years, some decisions are going to have to be made about new AA missile systems; NIKE HERCULES must be replaced; ROLAND is to be introduced for target protection, and we should probably also think in terms of a successor to the HAWK. What are the ideas of the Air Force regarding these air defense weapons?

Lieutenant General Obleser: Right now, to cover the largest possible portion of our air umbrella, we can consider only the PATRIOT which the Americans and other partners are planning on--and here we have no other choice. The question of airfield protection is a very serious one because our airfields, as we said before, are our combat zones and are also used to receive reinforcements. Adequate protection here is an indispensable requirement. Just how this can be guaranteed is

a question which must be considered in connection with other undertakings and also in time sequence. The requirement continues to remain quite essential in order to enable us to use our combat equipment. In the case of the HAWK we still have more time because, following conversion to the IMPROVED HAWK, we achieved a considerable improvement in the combat effectiveness.

WT: What, right now, is the main point in your work and what are you planning to do next year?

Lieutenant General Obleser: The main point is the maintenance of the prerequisite for the accomplishment of our defense mission, even though money may be tight. That means that we are thinking not only in terms of the threat but that we are also looking into alternatives and nevertheless keep a well-balanced defense potential in readiness--and that applies to all areas, including armament, training, logistics, and the number of personnel.

This is the most important thing and it will continue to be our primary concern in 1981. There are certainly going to be changes here--total re-examination is required. Certainly, we are going to have to review some of our habits which have become dear to us.

Vice Admiral Bethge Interview

Bonn WEHRTECHNIK in German Dec 80 pp 22-26

[Interview with VAdm Ansgar Bethge, inspector-general of the Navy, by Wolfgang Flume: "More Flexible Employment Planning for Available Equipment"]

[Text] The lifting of the past operational boundary for the German Navy running along the 61st degree latitude--intended as a measure under what has been called "burden sharing" by NATO--will not lead to any strengthening of the Navy's potential; the only thing involved here, as Navy inspector-general VAdm Ansgar Bethge made clear, is to make more flexible use of available equipment in view of a definitely greater threat situation whose quality keeps changing constantly. The inspector-general did not at this time wish to comment on the future armament programs of the Navy in view of the survey ordered by the Minister. One main task for the future will be in the personnel field. The number of young men of draft age will continue to decline and that will also result in a decline in the number of volunteers for PO and officer careers. Volunteer service by women in the Navy would be entirely possible--but the Navy inspector-general cannot see any possibility of employing women on board ships and warships.

WT: You have been inspector-general of the German Navy since April. What were those first few months characterized by as far as you are concerned? Have you been able to implement some of the things you had wanted to do?

Vice Admiral Bethge: The job of Navy inspector-general basically was nothing new to me because, 3-1/2 years earlier, I had been deputy of the inspector-general and

Naturally, the inspector-general's tasks carry a different weight; there are some areas in which I had to find my way around. I placed emphasis on first of all getting to know the Navy commanders-in-chief in NATO, to introduce myself to them and to explain to them how I plan to develop naval command and operations over the next several years. Here at home I am busy preparing the five-year plan and the force plan. And you know what kind of detailed work is required for that. I cannot say that I have already been able to implement some of the things I'm intending to do; the measures, which have to be taken in an operations staff, are entirely too long term for that.

WT: As the new inspector-general, you have probably also made more unit inspections in order to get a first-hand look at the units and their problems and where improvement possibilities exist. What was your impression of your men?

Vice Admiral Bethge: I conducted a whole series of unit inspections. My overall impression is that the action readiness and the motivation of the men are outstanding and that applies to everybody. I particularly noted the good, human atmosphere in the units, especially also the good relationship between civilian and military personnel. I held conversations with unit commanders, with the personnel contact men and the personnel council members and here again I was able to confirm that cooperation on the part of everybody can be said to be based on mutual confidence for the cause.

Of course, there are possibilities for improvement: Complaints were voiced especially where living conditions differed greatly compared to what the men are used to at home. I believe this is where we have to start working. We are generally satisfied with the billets but here and there, we have situations which from my viewpoint are unbearable and which have a negative effect on the men. Some of our base facilities urgently require a thorough overhaul or restoration.

WT: Are you satisfied with the personnel development of your service, especially also in view of the fact that less recruits will be available due to population growth in several years?

Vice Admiral Bethge: The development of the personnel situation in the Navy always took place without difficulties in the past. It was essentially influenced by events outside the Navy, for example, the restrictions in the budget structure law. Right now, among our long-service personnel, we have a shortfall of about 4 percent--which means that the Navy has reached the so far highest number in this personnel category. But most of the men sign up only for 2 years; in other words, we have a high personnel turnover and a heavy training expenditure. This on the whole still favorable personnel situation will turn out to be very difficult during the coming years because we are going to have less and less draftable young men available. Starting in 1983, the quantitative supply will decline and as of 1988 at the latest, the annual replacement possibilities of our forces will be below requirement. In a study group we considered a large number of possible solutions--which of the indicated possible solutions can be pursued further will primarily be a political problem which will have to be decided by parliament. It must also be kept in mind that, when we have less draftees, we also have less volunteers for PO and officer careers.

WT: Volunteer service by women would be one possibility. But you are probably not fond of the idea of having women in the Navy, especially on ships and boats?

Vice Admiral Bethge: I am in favor of volunteer service by women in the armed forces, although without weapons. A certain percentage of military personnel can of course be replaced by women, whereby organizational structure and career problems and many other things have to be taken into consideration. The Navy could certainly use women ashore--but I cannot see any possibility of assigning women to ships.

Future Overseas Cruises

WT: This year, a German squadron for the first time turned up in the Indian Ocean. What lessons were you able to learn from that cruise and where lies the direct benefit from such a long trip, except for the fact that our boys in blue are good-will ambassadors for Germany?

Vice Admiral Bethge: I would like to say first all that our boys in blue, because of weather conditions in those maritime regions, turned up in white. Naturally, this training cruise likewise was planned in close coordination with the foreign ministry. The squadron had two major tasks: First of all, it was to promote and develop friendly relations with the countries visited, as component of the executive branch of this country, and we were able to accomplish this mission very successfully, as proved by the responses from the countries via their embassies but also the reactions from branches of our industry in those countries. Next, the squadron had the mission of operating in maritime regions outside Europe and gathering experience in supply independently of bases as well as in navigation and seamanship on longer cruises. We are furthermore interested in finding out whether men and equipment will prove themselves during tough sea duty and under difficult conditions. Finally, this mission was also connected with a missile firing exercise in the Mediterranean. Beyond that, this kind of cruise is also geared toward the motivation of the men.

We are entirely satisfied with the success of the cruise--both men and equipment came up to our expectations. The positive political echo from this fleet visit in the Indian Ocean and the great benefit in terms of seamanship training tell us that we ought to plan similar overseas cruises also in the future. For example, we are thinking of a cruise into the Central American area. By the way, we have made such cruises several times in the past, the only thing is that so far little attention has been paid to such activities.

WT: The Navy has launched the "man on board" program which is designed to improve the quality of life on shipboard. To what extent is this paralleled by improvements in the duty assignment plan which, after all is very strenuous in the case of smaller ships in particular?

Vice Admiral Bethge: The duty performance plan on board our units is essentially determined by two factors. First of all, warships are weapons systems and living quarters at the same time and that creates a series of obligations which are unavoidable. Besides, training is the essential element that determines the duty assignment schedule. The training effort is guided by the complexity of the

equipment to be operated, the tactics and the watches of the sailors on board. We naturally try to reduce the duty-tour burden on our crews--but there is not too much more that we can do here. For example, we are trying to find out whether the watch schedule, especially for men assigned to the electronic consoles, can be developed in a more practical fashion--but a reduction in the time spent on watch was not connected with that. By means of technical improvements we furthermore want to achieve easier operation of equipment and instruments. Shipboard duty, we must say, will not be a picnic in the future either. But it is--and we hope our young people will increasingly accept that--one of the most interesting duty assignments that can be offered to a young man.

The "man on board" program in the meantime has been started on two ships during their shipyard overhaul time and we hope that the crew members will appreciate those measures.

More Flexible Employment of Available Equipment

WT: The German Navy's operational area in the Atlantic sector has been extended beyond the 61st degree latitude somewhat to the north. Does this extension at the same time also mean that the naval forces stationed in the North Sea will now assume more importance and that they will in the final analysis have to be reinforced?

Vice Admiral Bethge: In the course of political developments, the United States above all faced the need for strengthening its commitment for the sake of the Free World particularly in the Southwest Asian area. The required release of American forces can be accomplished, without weakening the NATO alliance only if the alliance partners contribute to this release. West Germany supports and participates in this so-called "burden sharing" within the context of its legal and financial possibilities. On 19 June the Federal Security Council resolved to lift the operational limit at 61° North for the employment of German naval and naval air forces; the basic idea here is to use the available forces of the alliance in this area in a more flexible and economical fashion than has been the case so far in order thus to achieve not only immediately relief for the U.S. Navy but also to maintain an undiminished deterrent in the area of the northern flank. No strengthening of the Navy's potential is connected with that--and this is something that must be emphasized again and again; this is merely more flexible employment planning for available equipment. Because of the threat, to be sure, several more ships would be desirable. Ships are expensive and more potential is not available; this is why one must use that which we have in the hands of the NATO commanders-in-chief in a more flexible fashion.

WT: Is it true that until now there was no authority to cross the 61st degree latitude?

Vice Admiral Bethge: Until now, it was always necessary to query the federal government whenever German vessels were to be employed north of the 61st degree through NATO commanders-in-chief. But in purely national terms, we have always been able to cross that latitude, for example, during exercises.

WT: We have heard, regarding the Soviet Navy, that atomic-powered battle cruisers are being tested, that gigantic submarines are being built, etc. Are the new construction efforts of the Soviet Navy now concentrated on blue-water areas or is this paralleled by a strengthening of the Warsaw Pact naval forces also in the Baltic.

Vice Admiral Bethge: The Soviet Union's maritime armament programs clearly reveal a main effort in the expansion of a potential which can be used without restriction on the ocean, both above and underwater. The construction of large cruisers with nuclear or gas-turbine engines is being given special attention. These units are designed both in wartime and in peacetime and during crises to improve the ability of the Soviet Navy for what is called "power projection" and intervention. A concentration of new building programs on ocean-going units however cannot be observed here. The renewal and the subsequent qualitative improvement of the potential particularly suited for the marginal seas is another point of main effort. This can be seen by the fact that entire series of patrol boats are being built with anti-ship missiles and that the corvettes which are particularly suitable for naval warfare in the marginal seas, are again and again being modernized or are being replaced by new designs. This also applies to the GDR People's Navy which has experienced considered reinforcement through two frigates of the KONI class and the procurement of HAZt-type helicopters, which made it possible to boost the ASW capability. Further developments can also be observed in connection with mine-sweepers.

WT: In the Baltic we only have PT-boats as surface units. Are frigates not too big for that operational area?

Vice Admiral Bethge: According to our ideas, frigates are threatened in the Baltic from the air; this after all is why we developed the big PT-boat, the S-143, with a very respectable AA capability, and naturally with a defense capacity against surface vessels. We believe that we have taken the threat situation correctly into account in the Baltic with this type. I do not know what consideration the other side entertain in connection with the purchase of the two KONI frigates.

Projects Are Necessary But...

WT: Now some questions on coming arms programs. When might the decision be made on the desired additional two frigates? Are you going to get ROLAND? How far have your ideas advanced regarding minesweepers and minelayers and minewarfare boats? Will the SEA KING also become a guided-weapons-carrying attack helicopter?

Vice Admiral Bethge: You know that right now we are about to conduct a survey ordered by the Minister and it is very difficult, prior to the results of this inventory, to say anything about further equipment procurement for the Navy. We clearly realize that some things which are desirable can no longer be implemented in the time sequence we had planned originally. Regarding your individual questions, I cannot at this time provide any information as to the possibility of practical implementation. The projects you mentioned, in our opinion, are necessary because of the fact that the quality of the threat situation has gone up.

WT: Where are you going to establish the main points of your work for the next year?

Vice Admiral Bethge: Our primary mission will probably be in the personnel sector. We are going to have to make sure that we are going to get the personnel needed for what is now in the procurement pipeline and we must then make sure that we get equipment that will be in use for 20 years. What I myself can do toward that goal is to improve living conditions on board and assure in such a way that the men can feel comfortable there. The human atmosphere in the Navy, as we said, is good and we are going to have to promote this further. Character guidance in the Navy-- apart from perhaps a few exceptions--can on the whole be considered as being in proper order.

Another task is to insert elements of the North Sea component of our Navy into more flexible NATO planning for employment in the area of the northern flank. This will be done through conversations with the NATO commanders-in-chief and the first steps have already been taken. It will furthermore be necessary to make the utilization phase for our naval and naval air forces more effective, that is to say, we must try to have sufficient funds available so that we can continue our training, the way it has proven to be good so far; on the other hand, we are going to have to save money wherever we can justify that. We want to improve PO training as quickly as possible and we want to concentrate it in one place; right now however we are still running into some difficulties here also in the area of the infrastructure.

5058

CSO:3103

PRESS ON KEKKONEN'S FORTHCOMING VISIT TO MOSCOW

Kostamus Expansion Agreement

Helsinki HELSINGIN SANOMAT in Finnish 8 Nov 80 p 10

[Text] The expansion of Kostamus by Finnish labor and the supplementation and continuation of the long-term cooperation program between Finland and the Soviet Union up to 1995 will be agreed upon during President Kekkonen's state visit to the Soviet Union beginning next week.

Along with broad economic questions and joint undertakings, Finnish-Soviet relations and the international situation will be up for discussion during the visit.

The Kostamus frame contract and the continuation of the long-term program are not the only economic questions to be discussed. During the visit, in particular questions will be discussed relating to cooperation in energy production and cooperation with third countries on the enterprise level.

In addition to the expansion of Kostamus, totally new construction plans will be discussed, among them a train car repair depot, a service depot and hotel projects outside Leningrad.

As for the future and completion of the long-term program, the Finnish side stresses the continuation of energy supply and the long-term development of trade in forms which have been found good. The completion of the program also contains interesting new joint ventures, among which undertakings in the energy field are of importance.

An impressive addition to the long-term program is the Finnish-Soviet joint venture to build a nuclear icebreaker. Also up for discussion will be a number of other large joint undertakings relating to nuclear industry, in which the new 1,000-megawatt nuclear plant will open good possibilities.

Along with the important issues being discussed, the composition of the delegation traveling with the president indicates the importance of the visit. In addition to the highest state leaders, organs of cooperation between Finland and the Soviet Union, official decisionmakers and the four biggest parties, also industry with its central decisionmakers will be represented in the delegation.

Familiarization With Cosmonauts

The president of the republic will leave for the visit on a Finnair charter flight from Helsinki-Vantaa airport on Wednesday morning. During the afternoon of the first day in Moscow, the president will lay wreaths at the Lenin Mausoleum and the Tomb of the Unknown Soldier, and will hold official talks with the top Soviet leaders.

On the evening of the first day, the signing of the agreement on the long-term program and the Kostamus project is scheduled. The day will be concluded by with an official dinner given by the hosts in the Kremlin, where the president also resides.

On Thursday morning the president will visit Leninskiye Gorkiy, outside Moscow, where Lenin spent his last years and where he died. The afternoon program consists of presentation of the heads of foreign diplomatic representations accredited to the Soviet Union and the award ceremony of the Lenin Peace Prize to President Kekkonen.

The Lenin Peace Prize was awarded to President Kekkonen earlier this year. After the ceremony, the chairman of the International Lenin Peace Prize Committee, N.N. Blohin, will host a dinner in the president's honor in the Kremlin.

On Friday the president will visit the town of Zvyozdnyi outside Moscow, where the Soviet cosmonauts reside and train for their space assignments. He will also attend a reception for the Finnish colony and embassy staff hosted by Ambassador Jaakko Hallama.

Fishing at the Kura

The official program of the president's fifth visit to the Soviet Union will be completed in Moscow on Friday. After the official ceremonies, he will board a Soviet charter plane and fly to Baku, the capital of the Azerbaydzhan Soviet Socialist Republic.

After familiarization with Baku on Saturday and meeting with leaders of the Azerbaydzhan Soviet Republic, the president will go fishing at the river Kura on Saturday afternoon and Sunday.

On Monday the president will fly from Baku to Moscow, and from there he will continue home on a Finnair charter flight.

'HELSINGIN SANOMAT' Editorial

Helsinki HELSINGIN SANOMAT in Finnish 12 Nov 80 p 2

[Editorial]

[Text] "During the afternoon of the first day of his visit to Moscow the president of the republic will lay wreaths at the Lenin Mausoleum and the Tomb of the Unknown Soldier, as well as conducting official talks with the top Soviet leaders."

This is how the official announcement tells about President Urho Kekkonen's state visit beginning today. Judging from the wording, official political discussions have been allotted such a small amount of time that the participants will hardly have a chance to go deeply into international problems.

And bilateral political relations do not require long discussions either. From Moscow's point of view the international situation does not appear very bright: problems and tension are nearly everywhere, all the way from Japan to China, from Afghanistan to Poland and Spitsbergen. The relations between Finland and the Soviet Union, however, are good and bring hope of a continuation of detente and the possibility of peaceful coexistence. The situation shows how farsighted the builders of these bilateral relations were, realizing a long time ago that cooperation benefits both parties.

Cooperation between Finland and the Soviet Union is broad and many-sided. Every year hundreds of negotiations are carried out in all areas and on all levels. The summit meetings of the top leaders have turned from negotiations into occasions where the whole picture of the results achieved is sketched and future evolvement lines are drawn up.

The focal point of this summit meeting seems to lie in the development of economic cooperation: the long-term agreement will be supplemented and continued, and a new contract on Kostamus will be signed.

President Kekkonen has worked long and tirelessly on the development of relations between Finland and the Soviet Union. His person is greatly valued and respected in the Soviet Union. An evidence of this is the Lenin Peace Prize now being awarded to him.

Despite President Kekkonen's great personal credentials, the relations with our eastern neighbor--and foreign policy in general--have become more and more clearly a matter of the whole nation. Decisions on these relations must, however, be made in parliamentary order, in government sessions reporting to the Diet, and some decisions require the approval of the Diet. Thus the government, the Diet and the political parties participate in foreign policy. On a practical level many officials, politicians, company employees, and so forth, also handle the relations with the Soviet Union.

Furthermore, the boundary between foreign and domestic policies has faded, as is known. Thus, it is no wonder that even the composition of the accompanying delegation is of interest. This time the Swedish Folk Party will have reason to wonder why their chairman must stay at home, when other party leaders travel as far as the Kura river. The fact that Deputy Chairman Juuso Haikio, counting among the Conservatives, is included in the delegation, brings to mind snappy politicking which would not necessarily have required the high level of a state visit.

9718

CSO: 3107

INFLATION AFFECTS HAWK AIRCRAFT ASSEMBLY COSTS

Helsinki HELSINGIN SANOMAT in Finnish 8 Nov 80 p 30

[Text] The countervailing sales in connection with the Hawk jet procurement are near completion according to the initial agreement. The inflationary effects, however, have not been considered. Next summer is the deadline of time allotted for the sales. Then it will be determined to what extent the original goals must be checked, according to the Ministry of Foreign Affairs.

The inflation in Britain and the floating of the pound exchange rate can be seen both in the jet sales and the countervailing sales. The sales were agreed at 102 million pounds and the exchange rate at that time was determined at 7.60 markkaa. This fixed exchange rate has since been used in all sales. At the moment Finns have paid slightly over a third of the total value of the contract.

An additional 60 million markkaa have been paid in index increase and 24 million markkaa in loss of pound exchange. The Ministry of Defense characterizes the increase as reasonable, as the annual inflation rate in Britain has been approximately 15 percent.

As of now over 200 countervailing sales have been made and their nominal value as compared with the original aircraft contract is 103 percent, that is, more than the initial value of the aircraft sales.

New Sales Expected

The main part of the sales consists of metal industry products. In principle, items we already traditionally deal in with Britain, such as pulp and paper, are not acceptable for countervailing sales. In addition, the principle has been adopted in the countervailing sales that follow-up sales of the new compensation trade will be accepted for inclusion. Not all of the follow-up sales of this nature have been stipulated in writing, according to the secretary of the countervailing sales working group of the Ministry of Foreign Affairs, Mr Pekka Huhtaniemi.

There is still plenty of time to agree on these follow-up sales, since the final payment for the planes will be made in 1985. According to Huhtaniemi, the British have expressed the wish in connection with the countervailing sales that the rapid development of the sales would be considered in adjustments.

In many cases Finns have already received their money and it apparently has been included in the agreement at a much smaller nominal value than it would bear in 1985. The main agreements connected with the aircraft sales are tied to official material and wage indexes, which also include the fixed portion. The starting year of the assembly contract is 1977 and the starting year of the engine contract with Rolls Royce is 1976, says administrative counsellor Kauko Vartiainen of the Ministry of Defense.

In addition to the main contracts some 20 associate agreements are included in the sales on apparatuses being manufactured in various countries. As for the Finnish Valmet, the procurement also has been tied to wage and fixed indexes.

According to Vartiainen, the common factor in these indexes is that they will be halted before the deliveries and for the materials even considerably earlier, he says.

9718

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BRIEFS

SOVIETS HOLDING CREW, VESSEL--The Finnish freight vessel Marika is sitting in the port of Leningrad due to a dispute on salvage compensation. The Marika got into distress on 25 October while carrying lumber from Loviisa to Denmark. Two Soviet fishing boats first dragged the Marika to Hiidenmaa, and later it was taken to Leningrad. The crew of four was then transferred to Tallin and on 30 October to Leningrad, where they have been in a hotel for a couple of weeks now. The insurance company of the Marika, Suomen Merivakuutus Oy, has tried for 2 weeks to get the vessel out of Leningrad. The crew, consisting of the master, Gerd Horn, and three others, sent a cable to the Kotka sea guard station on 3 November saying that a radio had been broken and some items taken from the vessel. The Soviets are demanding payment of 75,000 rubles for the rescue and transportation expenses. According to information received by the Finnish Ministry of Foreign Affairs, the payment is being claimed from a Finnish insurance company. In Finnish currency the compensation is approximately 450,000 markkaa. Suomen Merivakuutus does not wish to disclose details of the Marika situation. The company says only that it has been trying to get the vessel back to Finland for a couple of weeks now. "The vessel may be returned any day," the company says. "The Ministry of Foreign Affairs was only told of the matter for information purposes and it will not require us for any action," says office chief Elizabeth Groop. The information concerning the rescue was received by the Ministry of Foreign Affairs on 4 November. A representative of the Finnish insurance company is presently in Leningrad negotiating the factors in connection with the return of the vessel. The representatives of the insurance company in Finland also do not wish to talk about the larceny which has occurred on the vessel. The Marika is owned by a small Turku shipping company of the same name. The 54-meter vessel, which suffered severe damage in the accident, was loaded with 800 cubic meters of lumber, which caused the vessel to lurch in the 12-Beaufort storm. Whether the Soviets have taken items against the rescue compensation they are claiming is not known at the Ministry of Foreign Affairs. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 8 Nov 80 p 10] 9718

PEAT PACT WITH USSR--The program of cooperation in the peat moss industry between the Soviet Union and Finland has been confirmed for the next 3 years. One of the primary tasks of the cooperation is principally to develop a new technology of producing peat briquettes and new devices for removing peat moss. The 1981-83 program also includes cooperation in development of production technology of peat and alluvium mixture, which will be used for fertilizing green areas. During these 3 years Soviet and Finnish specialist will further develop new methods of utilizing peat moss in agriculture. The working group meeting also concluded that during the past year specialists of the two countries in cooperation have developed a new technology for production of peat moss products for use in vegetable and flower gardens. Use of peat moss and its refined products in environmental protection is also being studied successfully. The exchange of delegations of Soviet and Finnish peat moss specialists was seen as positive. It was decided that the visits will be continued. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 8 Nov 80 p 32] 9718

CSO: 3107

PSF: STRATEGY, GOALS, TRENDS AS 1981 ELECTION APPROACHES

PSF Election Strategy

Paris LE MONDE in French 30 Dec 80 p 10

[Excerpts] "Francois Mitterrand today has the greatest chance that he has ever had," to be elected president, Jean-Pierre Chevenement stated on 21 December on Europe 1. "From now on in France there is a potential majority for a victory of the left," Lionel Jospin recently stated before party members in Toulouse. Despite perceptible doubt of this thesis in the ranks of the supporters of Giscard, there is the certainty of view expressed within the PS!

However, the argument of Lionel Jospin is not new. Have not the socialists, and their leader in particular, accustomed us to the idea that the left is "potentially" or "sociologically" virtually a majority in the country.

The novelty is found rather in a state of mind which has again become victory-minded. The idea of a socialist victory again seems to be making itself felt as the goal comes in sight and as the "rating" of the first secretary of the party climbs in the polls.

The analysis which is being developed today is, moreover, a source of hope. If it is still true that disunity in the left harms the credibility of a government of the left, by-elections show that the divorce between the PCF and the PS does not deprive the left, and especially the socialists, of electoral effectiveness. This is why Jospin states that the by-elections "reflect the re-awakening of the left and above all a clear choice to communist voters in the second stage of the elections." For the socialists this choice by the communist voters banishes the specter of an eventual electoral slogan like "white bonnet, blank bonnet." [sic; if a socialist candidate should lead after the first round of the elections, the communists should cast a blank ballot in the second round, benefiting the nonleftist candidate.] Commenting on this, Chevenement explains, "It is not possible because it is not true," adding that the PCF, "would not be believed, it would not be followed, and it cannot take so considerable a risk."

The Healing Process

From this fact flow several conclusions. In the first place the man who symbolizes the union of the left can be considered as wishing to symbolize the united aspirations

of the electorate. In the second place the various "arrangements" with the RPR can bring to the left, in the second round of the elections, votes which it failed to obtain in 1974, the more so as it will be found to have been "freed" from an alliance with the PCF. If the present government majority, for its part, pays for its internal divisions by provoking a movement away from it of a part of the Gaullist electorate--"the sincere democrats and patriots," according to Chevenement--the prospect of a socialist victory could open up again.

No doubt you cannot give by-elections the status of a pre-presidential election test. This does not prevent such an analysis from justifying the step taken by the socialist leadership within the PS. It makes it possible to explain the main lines of the campaign of the socialist candidate.

Everything is happening, in effect, as if this new optimism first of all had value within the party. In this regard the by-elections have happened at the right time. No doubt they have strongly contributed to creating, more rapidly than anticipated, the conditions for a "healing process" desired by the majority of the party and therefore the conditions for a good mobilization of the voters. For the rest, the views of minority elements in the party should help a good voter turnout.

The attitude of the faction led by Pierre Mauroy is unambiguous: "There is a time for diversity and a time for cohesion; let us not confuse a presidential election with an election for a permanent congress of the party." The mayor of Lille recently made this statement before the socialist federation of the Department of the Nord, before calling on party sections to present themselves before public opinion, "ready to march and not dragging their feet."

The hope persists, among the friends of Mauroy, of seeing the first secretary of the party take advantage of a period of time which is exceptionally favorable to him, since the prospect of the election should relegate to the background the quarrels between the different factions and should really bring the party together. This is on the condition that this unification of the party does not lead to pushing off to one side the faction led by Michel Rocard.

Within the Rocard faction the temptation exists to display, in one way or another, discontent and discouragement. The general assembly of this faction, which recently met in Joinville-le-Pont, decided not to give any voting instructions for the forthcoming congress of the PS at Creteil. That leaves it up to those who wish to do so the possibility of abstaining or rather of casting blank ballots.

However, such a course of action should not be excessively widespread, if only because it is easy to imagine the internal benefit which the majority of the party could draw from a large number of abstentions in the strongholds of the minority factions. Moreover, Michel Rocard has the objective of supporting Mitterrand while preserving his separate identity and his own credit before public opinion. It is not a matter of weakening the socialist candidate.

In any case realism should prevail. From now on, for those who are organizing the Mitterrand campaign, it is a matter of placing in the service of the candidate the popularity of Michel Rocard--which now seems to be recognized. The Rocard faction should therefore be associated with the campaign of the socialist candidate. This will be even more the case since it will be necessary not only to mobilize the whole party but also to attract a whole "cloud" of sympathizers who can be good relay stations for public opinion.

The Socialist "Cloud"

As far as the Socialist Party is concerned, everyone will be called on to contribute. Paul Quiles, member of the National Secretariat charged with relations with the party federations--which should play an essential role in the arrangements of the candidate--is counting a great deal on the capacity for action of a force which is much greater than it was in 1974. Since then the PS has "brought in the harvest": the municipal elections of 1977, the cantonal elections of 1976 and 1979, the National Assembly elections of 1978, and the Senate elections of 1980 have provided the PS with a battle force of some 40,000 elected representatives at the various levels. The objective is to get them to get into the presidential campaign themselves, at the level of the canton, city, or National Assembly district. As of now the socialist parliamentary groups in the Senate and in the National Assembly have been called together and, it seems, have accepted the proposals of Paul Quiles very well. It is true that the latter, in order to obtain this personalized mobilization which he wants, has a powerful argument. The presidential election of 1981 opens a period of intense electoral activity: there will be cantonal elections in 1982 and then municipal and National Assembly elections in 1983.

Bringing together the socialist "cloud" should lead to establishing support committees outside the party, in order to make it appear that candidate Mitterrand has a wealth of sympathy in all the active groups in the country.

Finally, as Michel Rocard is no longer in the race, it becomes possible to appeal again to the techniques of political marketing, or rather to well-known advertising firms. What was once listed as a disadvantage of an "American-style Left" therefore will regain acceptability. Thus, Jacques Seguela¹ has been particularly charged with preparing campaign folders around the following themes: the rise of international dangers, the job situation, and the deterioration in the field of civil liberties require "a different policy." The candidate of the PS symbolizes "the different policy." This negative presentation of the state of the world and of the nation, evasive in terms of remedies to be adopted, corresponds to one of the essential lines of the campaign. More than ever it will be a matter of tarnishing the image of the president, of increasing the discontent of public opinion, to the benefit of the socialist candidate. Then it will be necessary to bring into view an attractive image of Francois Mitterrand--for example, by opposing to the traditional image of "the man of the past" that of "the man of experience" whom the country needs to get through a period of time which is daily more troubling--but without exposing the latter too much to economic or institutional quarrels. In this way the first secretary of the PS would be led to avoid presenting, as in 1974, a detailed economic program which could be placed into effect as of the beginning of his eventual term of office. In the same way he should not go into the details of eventual changes in the political landscape which his election would involve. He should therefore content himself with recalling that, once elected, he would proceed to a dissolution of the National Assembly. After all, he can make the point that one cannot simultaneously challenge the power of the president and agree to go into detail on a course of action which would depend on the government.

¹Author of a book entitled, Ne dites pas a ma mere que je travaille dans la publicite; elle me croit pianiste dans un bordel [Don't Tell My Mother That I Work for an Advertising Firm; She Thinks I'm a Piano-Player in a Whorehouse], Flammarion.

The Last Major Battle

The effort of the socialist leaders will be to ensure progressive action in the mobilization and clarification of a positive image of their leader, in order to attain, February, "a threshold of credibility" in such a way as to discourage all those to the left who might be tempted to drag their feet or capable of reducing the room for maneuver of the PCF.

That brings the publicly optimistic analysis down to more proper proportions. Everyone knows that the strongest probability today is still that of the re-election of the president in office. However, everyone is aware that a chance may reappear and that it must be seized in that case.

Francois Mitterrand, no doubt aware that he is preparing to wage his last major battle, seems quite decided to throw into the battle all his forces and all those of his party.

Mitterrand-Rocard Balance

Paris LE MONDE in French 31 Dec 80 p 16

[Excerpts] "If Francois Mitterrand for me was not the candidate of my heart, since 8 November he has been the candidate of my mind. It seems to me that it is indispensable to support him without reservations, without dragging the feet, without any thoughts in the back of one's mind, until we win. In passing, while acknowledging the dignity of Michel Rocard, who has known how to sacrifice his personal interests to those of the Socialist Party, I think that all quarrels, whether petty or great, whether partisan or not, must be totally banished in the will to win."

The will to win? Are all partisan Socialist Party members filled with it after months of internal debate within the party and the profound disappointment among the supporters of Michel Rocard, provoked by the announcement on 8 November, before the directing committee of the PS, of the candidacy of Francois Mitterrand and the withdrawal of their champion from the race? Robert Muchembled, secretary of the socialist section of Villeneuve-d'Ascq (Department of the Nord), an activist in the faction led by Pierre Mauroy, would like this to be so. The substantial amount of mail which we have received, in addition to Muchembled's letter, in the days since the meeting of the directing committee on 8 November, would seem to indicate that Muchembled's wishes would not be granted. About 6 weeks have gone by, and the Socialist Party is slowly recovering from the shock which it has felt. The engagement of the first secretary of the party in the presidential campaign, moreover, for certain party member is not the least of the shock.

At first the sometimes passionate reactions were often very violent. Even at the beginning of December 15 party members from the Departments of Aveyron, Val-d'Oise, Essone, from Paris, from Haute-Savoie, Aude, and Yvelines, all factions mixed together, issued an appeal for the organization of an "open" socialist congress on 24 January. They expressed regret that the party members who thought that "other candidates" (other than Mitterrand) "would have more chance to defeat the right were not able to express themselves." The procedure chosen by the first secretary has often been perceived as a "plebiscite." Mitterrand had appealed to the federal

executive committees, a reflection of the balance of forces at the socialist congress at Metz, which was favorable to him. Mitterrand's action was seen as a way of avoiding any prior consultation with party members. "The picture of the father-comrade, responding to the appeal of the mass of the party which was not consulted was more than ridiculous," writes a teacher, Serge Revel, a party member in Savoie. "How could nonrated workers, those who paste posters up and distribute leaflets, these daily workers, have deliberately chosen a certain, crushing, irremediable defeat?"

"We were not consulted." This angry old refrain still runs in the ranks of the supporters of Rocard. The more angry among them refuse to admit that Mitterrand and Rocard had each adopted tactics excluding the organization of a true "primary" within the Socialist Party.

A responsible leader in Toulouse of CERES remarks that the "prevention policy" set up by Rocard against the first secretary of the party failed. The treasurer of the small socialist section of Ploemeur (Department of Morbihan)--34 party members, all favoring Rocard--has prepared this reflection of an analysis which conflicts with the "realism" of the supporters of Mitterrand. "Even if, with some difficulty, we pardon Francois Mitterrand for having waited a long time before announcing his decision and for having appealed to the leadership of the party federations, we realize that, in a vote by party members, he would have been chosen by the party."

This sentiment is shared by another member of the "C" faction from Hennebont, near Lorient. For him the "rejection of Rocard" is more a phenomenon of the apparatus than a political phenomenon. "Keeping Rocard as a candidate would have been useless. That game was over in advance," he says. The "majority" in the PS unanimously holds that view. "Rocard was not regarded by party members as a social-democrat, but rather as an obstacle to the functioning of the party. Within the party he would have lost out," states the parliamentary attache of Gerard Bapt, deputy from the Department of Haute-Garonne.

The supporters of Rocard seem to accept in a reasoned way the decision of their leader not to continue the contest which he had begun for the candidacy of the Socialist Party. "If we had accepted a confrontation with Mitterrand, there would have been no more party," said a party member from Lorient, while a member from Toulouse, in addressing himself to a "comrade" from the Mitterrand faction, "regretted with some irony that Rocard did not offer to his supporters the possibility of being counted at the congress. "If Rocard had held firmly for primaries, we two would not be here, tonight, at the same meeting." A primary election would damage the party. This is also the view expressed by the pro-Rocard section of the party from Castelnau (Haute-Garonne), which states, "Francois Mitterrand must remain first secretary, and Michel Rocard must remain the candidate of hope of the workers of this country," in a letter sent to the leadership of the PS.

To play the game, in the interest of the party. "Mitterrand is a man. You do not fight for a man. You fight for ideas. Rocard, Mayroy, Mitterrand--after all, I do not care about them. I fight for socialism. I regretted that Rocard, at the party congress at Metz, committed himself not to be a candidate if Mitterrand was. However, on 8 November I said, 'It's Mitterrand. Let's go!' He has done so much for the party that one does not have the right to be disappointed," says Georges

Jegouzo, a worker at the arsenal in Lorient, a member of the CGT, a former member of the PSU who entered the PS after the meeting on the bases of socialism in 1974, a member of the General Council of his department. Jegouzo, who represents quite exactly the new style of members in the Department of Morbihan--a militant spirit of the area which overthrows the well-known personalities--however has some difficulty in repressing a remnant of nostalgia. "With Rocard," he says, "we would have perhaps gone forward with more ease in our heart."

However, from a sense of obligation to the militant spirit of the party and from continuity in the quality of the glue does not necessarily come enthusiasm. This is all the more so since the outcome of the internal debate within the party, once the election is over, will depend on the results obtained by Francois Mitterrand. At the end of a stormy discussion with supporters of Mitterrand one night in the Toulouse region a young supporter of Rocard told us, "We will settle our accounts later."

Militants' Role

Paris LE MONDE in French 1 Jan 81 p 6

[Excerpts] "The Flanker." The third socialist section of Toulouse has established its headquarters in this bar, whose name has come from elsewhere, from Great Britain. A "flanker" in rugby designates the third line which plays elbow to elbow. The members of the third section, supporters of Mitterrand by a large majority, do not have the feeling of playing in the rear of the political field. If they think so, they hide it well. The presidential campaign, for them, has already begun. They believe, or pretend to believe, in the possible victory of Francois Mitterrand. About half-dozen of them are gathered around a table, one Saturday morning, at the "Flanker," at coffee time, before going to kick their heels--it was very cold--a short distance from there near the covered market of Saint-Cyprien, a working class neighborhood in Toulouse. It was really very cold, and you had to have faith in the party to distribute for 2 hours a leaflet entitled, "No to Giscard." "Yes, we can beat the Right, yes, we can change the policy of the government." The leaflet calls on the people to participate, 2 days later, in a meeting whose star is Lionel Jospin, national secretary of the PS. On the whole, they are rather young.

An old gentleman with a Basque beret and a shopping basket makes contact with us. A Socialist Party member, he has recently moved to Toulouse. He comes from Marseille, from "Deferre" country, and he is looking for socialists in order to resume his political activity. He is a volunteer, but a little sad and almost resigned. "I am 71 years old. After the liberation I hoped to see the left finally and truly come to power. I really believe that I will never see it." He would have preferred Rocard, the "young man." Now it is Mitterrand. Good for Mitterrand. That night at his house, when he sees the head of Raymond Barre appear on television, he "wants to break the TV set." His impression is that he will have this feeling for a long time yet. Barre or another, for the time remaining to him.

This feeling of impotence and of a political life that is over--the others, the young distributors of leaflets, do not have. For them the big event of 1981 can still be won. They try, at least, to persuade themselves of it. "You have to be an optimist," says one of them. "Imagine a student who would go to take an exam, saying, 'I'm going to fail.' He would fail."

"Today, the game can be won," states another, James Rodriguez, 41 years old, an office worker, secretary of the city committee of the Socialist Party. "Giscard is vulnerable," he adds. "He can be defeated. He is practically defeated if we make the necessary, militant effort." Pretended optimism? No doubt it is but it is not only the effect of a Coue method of thought applied to the Socialist Party.

The analysis of the prospects of the socialist candidate, as seen by supporters of Mitterrand, is simple. We can win, not because we are the best, they say in substance, but because those facing us are the worst. Henri Saby, who was elected to the directing committee on the motion of Francois Mitterrand, develops this argument before the secretaries of Socialist Party sections in the fifth district of the Department of Haute-Garonne. The ambiguous attitude held by the Right in 1974 --that Left equals collectivism--was drawn from the fact of the rupture with the Communist Party. The right is divided, and Giscard d'Estaing will not get as many votes as he did 7 years ago. The economic and social crisis is pushing a part of the voters who used to support the government majority toward the opposition.

These themes are taken up and developed competitively among the leaders of the socialists in the region and in contacts with the base of the party. "Today there is a majority ready to say 'no' to Giscard. It is necessary to transform this majority into a political majority," says Jean-Claude Duphil, secretary for propaganda.

This kind of argumentation, which takes equally into account the promising results of the last National Assembly by-elections and the behavior of the communist voters on that occasion--"the basic unity of the Left, that exists," they say--does not totally convince the supporters of Rocard.

We're Not Going to Have Him Back for 7 More Years

Their predictions are generally more reserved. In any case, they are more varied. The most optimistic seem to follow the line of the Mitterrand supporters, but do not go as far. "We have to fight. In any case we are not going to have Giscard back for 7 more years!" This was stated by the first secretary of the socialist federation of the Department of Morbihan, Jo Le Lamer. Others give the impression that they are trying to convince themselves, whatever the price. "If Mitterrand had no hope of winning, he would not have gone into the campaign," says Georges Jegouzo, a CGT worker at the arsenal of Lorient and a general councillor of the department. After all, as a party member from the section in Ploemeur (Morbihan) notes, "Perhaps Mitterrand is not such a bad horse for the race. Rocard was not much favored, either." A Rocard supporter from Lorient thinks that the voters who say, "If Rocard is a candidate, we will vote for him," will ultimately vote for Mitterrand, "If they really want a change in the country."

The fact remains that the socialists--supporters of Mitterrand and Rocard together--must turn around in 4 months an attitude of lassitude in public opinion which seems to affect all of those interested in politics. "The people tell us that Mitterrand--they have seen too much of him already. Mitterrand carries the weight, not so much of his own political past but of the past of political life," states a Rocard supporter from Ploemeur. Georges Jegouzo, the worker from the arsenal of Lorient and a local man, has his ears full of thoughts like: "We are tired of Giscard. We have had enough of Mitterrand. Rather than vote for clowns, I will vote

for the one who will do the most 'for Coluche.'" "Well, you are a party member," Jegouzo says, and "when you paste up posters, when you attend meetings, when you only get to sleep 4 or 5 hours because of that each night, and when they tell you, 'I'll vote for Coluche,' well, you give him a good punch behind the ears." The most irreconcilable of the supporters of Rocard are not necessarily admirers of Coluche. Some of them have decided to vote for Rocard in any case, that is, by casting a blank ballot. A socialist voter from Reims writes us, "Too bad if I help Marchais and Giscard by casting a blank ballot on the first round. I will vote for Rocard in this way to show that I believe in him and that I have had enough of the headquarters of the Socialist Party." Jacques Eleonore, professor in Limoges and a Socialist Party supporter of recent date, has adopted the same attitude, because, he writes, 'I accuse Francois Mitterrand of having taken away the hope of all the people from the Left.'

The Revolution Will Not Wait

These extreme positions are perhaps not unchangeable. It will be up to the active Socialist Party members to convince the despairing and, going beyond the simple slogan, "No to Giscard," to present the image of a Socialist Party which has a goal in mind. It will be up to them to adapt the socialist goal to local realities and to popularize its contents. The socialist federation in Haute-Garonne has begun this task and has invited its sections to begin material preparations for electoral action. The socialist federation in Morbihan--its leaders admit it--has wasted time in internal quarrels which have taken place in the context of the control of the office of mayor of Lorient. However, they assure us, that will be resolved rapidly.

The task is a heavy one, the more so as the ranks of activist party members are not expanding. The socialist federation of Haute-Garonne had difficulty, in 1980, in reaching the same number of membership cards issued, as in 1979. The federation in Morbihan lost 10 percent of its members in one year. Subscriptions to the socialist daily newspaper whose initial publication is scheduled for 26 January are coming in slowly. In mid December the federation of Haute-Garonne had picked up 280 subscriptions (as against 2500 members claimed), whereas the objective which the party had assigned to it was to reach 500 subscriptions by the end of November. The federation of Morbihan only had about 50 subscriptions for about 1000 members.

There will have to be meetings, enthusiastic speeches, tiresome door-to-door meetings for the electoral machine of the Socialist Party to turn at full speed! And there will have to be a good dose of optimism and of good humor, even if it is forced.

"Six coffees, please," the secretary of the Toulouse city committee orders in a bar, 30 minutes before the beginning of the meeting of his committee. "Just a minute," replies the waiter. The secretary says, "Huh! The revolution will not wait."

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POLITICAL EFFECTS OF 1976 CANDIDATURE LAW ON 1981 ELECTIONS

Paris PROJET in French Dec 80 pp 1264-1267

[Article by Odon Vallet: "Presidential Election: The Little Candidates"]

[Text] Presidential elections always seem to exert the same fascination on would-be candidates. In early November, one could name 15 (without even speaking of a dozen more whose candidacy is utterly unrealistic): in alphabetical order, Huguette Bouchardeau, Michel Crepeau, Michel Debre, Jean-Claude Delarue, Marie-France Garaud, Roger Garaudy, Pascal Gauchon, Valery Giscard d'Estaing no doubt, Michel Jobert, Alain Krivine, Arlette Laguiller, Brice Lalonde, Jean-Marie Le Pen, Georges Marchais, and F. Mitterrand (1). It is nevertheless doubtful that on 8 April, the deadline for candidates to file, their numbers will be so large.

The organic law of 18 June 1976 relative to election of the president of the republic by direct popular vote as well as its implementing decree of 4 August require that the candidate be presented by 500 mayors, councillors of Paris, counselors general or members of parliament, representing at least 30 departments or overseas territories, no more than 50 of which can come from the same department or territory. The signatures must be affixed on an administrative form circulated by the minister of the interior (2) on a date not yet known, and the elected official (not the candidate) must personally go to the prefecture. The signatures, up to the 500 needed and (as in the Senate) in the order established by the candidate, will be published in the "Official Journal" after being recorded and verified by the Constitutional Council.

This procedure is clearly more demanding than the previous one: 100 unpublished signatures on unstamped paper. Thus each candidate could beat the hustings with his stack of forms, go find the mayors in the field or at home and conclude the business, perhaps over a good bottle. Now, on the one hand, the mayors will fear the pressure of the prefect (3) ("If I sign for such-and-such a candidate, won't my assistance be cut off?"), and on the other, the reactions of public opinion ("How can one justify a signature for Krivine or Le Pen, even in the name of democratic debate?").

In any case, a close examination of the new law shows that it is less antidemocratic than it appears at first glance (4). First of all, the augmentation in the number of candidates (6 in 1965, 7 in 1969 and 12 in 1974) could not be continued without perplexing the citizens and making the televised campaign tedious: already, in

1974, there was clearly some boredom in the face of the multiplicity of political speeches. The Constitutional Council, moreover, proposed after the 1974 elections that the minimum number of signatures be raised and that the list be published. Second, the law is not a fiat of the government, but a text carefully prepared with attention to minute detail, of parliamentary origin, and preceded by a dozen proposed bills offered since 1965.

Finally, this text is a compromise between the previous lax law and very strict proposals. At one time, the Senate was requiring the signature of 50 counselors general and 25 members of parliament, which would have excluded all candidates not supported by a parliamentary party. Some proposals required 1,000 to 2,000 signatures. Others suggested a petition of 100,000 voters. This direct democracy, on its face so enticing, does not in fact permit any serious verification of the signatures and favors the candidates of special interests and pressure groups.

Harsh Law for "Marginals"

What will be the political effects of the new law? Let us note first of all that for a little candidate, the best technique is not to go out and ring 500 doorbells. It would be more judicious to seek the sponsorship of 20 or so influential personalities who will appeal to elected friends. It is the responsibility of the political establishment to nominate candidates. Within the establishment it can be clearly seen that there is a consensus that beyond the gang of four (or five), three political currents deserve to be represented: the extreme-left, the extreme-right, and the ecologists. Which would give in total seven or eight candidates (5).

But each of these currents will only be represented by a single candidate. So Brice Lalonde will be delighted to be rid of Jean-Claude Delarue, and Roger Garaudy and Arlette Laguiller will be delighted to be rid of Alain Krivine, and so will Jean-Marie Le Pen with respect to Pascal Gauchon (unless the opposite occurs). As one can see, the reality does not at all accord with the preachy discourses of the media. In fact, the main problem with the new electoral system lies in the publication of the signatures. Campaign logic would dictate that the latter be provided by political enemies: a UDF [French Democratic Union] type would sign for an ecologists in order to take votes away from a socialist candidate; a socialist would sign for the extreme-right in order supposedly to bite into Mr Giscard d'Estaing's vote. Even if the existence of a large number of rural mayors with no formal affiliation (in fact, often close to a majority) somewhat diminished this problem, it still remains real: how to help the adversary of one's adversary without compromising one's convictions?

Besides, some candidates, such as Mr Giscard d'Estaing or Brice Lalonde, will try to obtain a sponsorship reflecting a rather wide spectrum going from the socialists to some in the RPR [Rally for the Republic]. Prestigious and ambivalent signatures, such as those of Senator Caillavet or Edgar Faure, will be particularly sought after.

Who Will Damage Whom?

Can one already foresee the electoral impact of the little candidates? The candidate of the extreme-right can hardly hope for more than 1 percent of the votes cast (6). His influence will be minimal and he will be quite happy if the

leaders of the majority procure him the 500 signatures. With, of course, its counterpart: he will have to moderate his position a bit, particularly with regard to foreigners, in order to avoid, in the second round, a damaging turn of "racial" votes for Mr Giscard d'Estaing.

The extreme-left candidate can aspire to somewhat more: his potential electorate is about 900,000 votes (7). A Krivine candidacy, too doctrinaire, would reduce it. A Laguiller candidacy, conjoining workerism and feminism, would increase it. Communist mayors could support this candidacy in hopes of damaging the PSF [French Socialist Party], and socialist mayors in the opposite hope (8).

A PSU [Unified Socialist Party] candidacy would doubtless damage the PSF and would thus be supported by the communist mayors; but it would above all damage the PSU itself, which desires more than anything else that its declining share of the vote should not be put to the test: in 1978, it went under the wider banner of the Autonomy Front and, in 1979, it did not put out any ballot papers on voting day.

The ecologist candidate, Brice Lalonde, unless there is a stunning surprise, can count on a potential electorate of a million votes, or about 3.4 percent of votes cast, figuring a 17-percent rate of abstention (9). Whose votes would he get? Public opinion research and electoral surveys do not agree. One can only say that ecology bites into the vote of all parties, of the PCF and the RPR (10), probably (but it cannot be proven) more on the left than on the right.

Could the "little" candidates provoke a stunning upset, for example by putting the PCF candidate ahead of the PSF to face the majority candidate in the second round? The PSF ran 2.03 percent ahead of the PCF in 1978 (without the MRG [Left Radical Movement]), and 3 percent ahead in 1979 (allied with the MRG). If the ecologist candidate took 1.5 percent of the votes cast from the socialists and 0.5 percent from the PCF (a very reasonable supposition), the results would be unchanged. A radical-left candidacy (taking 1.5 percent away from the socialists) added to that of the ecologists would be more menacing. But only a triple ecologists-PSU-radical-left candidacy would threaten the lead of the socialist candidate(11). And the candidacy of Arlette Laguiller would hurt the PCF perhaps more than the PSF, if judged by the traditional good showing of the extreme-left in the working-class constituencies of Seine-Saint-Denis and Nord-Pas-de-Calais.

There is still, obviously, the possibility of a surprise candidate. And the unknown factor of vote-switching in the second round. In this connection, it is possible to conjecture that extremist or nonconformist voters vote all the more willingly for a "big candidate" in the second round since they were able to express their original choice in the first. If this assumption were verified, our electoral system would reconcile both personal choice and group discipline.

FOOTNOTES

1. It should be noted that many candidates declare themselves quite early in order to profit from the media publicity, knowing full well that they will not go so far as to become official candidates. But these precocious candidacies, often announced to slow down the momentum of a rival, create both financial resource and morale problems for the little candidates: how to hang on for 6 months or a year?

2. After the 1974 elections, the Constitutional Council proposed that applications for nomination be "put on an official form made available to the /citizens/ [in boldface]."

In early November 1980, the League of Human Rights and several personalities denounced the conditions put on nomination of candidates. Also, Mr J. Limouzy, secretary of state for parliamentary relations, said on 7 November that the forms could be sent by mail to officials who requested them.

Finally, some candidates claim already to have the 500 signatures. In reality, these are only promises of signature.

3. The burden put on the officials themselves to ask for the form at the prefecture as well as the retention by the Ministry of the Interior of these forms for an indefinite length of time are neither called for by the law nor required by the circular of November 1979 put out by the minister of the interior.

4. The list of preparatory studies for the law is found in the "Official Journal" of 19 June 1976, p. 3676. It should also be noted that the requirement for 500 signatures of officials concerns both sponsorship of candidates and the seizing of the Constitutional Council in case of death or disability of one of the two candidates leading in the first round.

5. Michel Crepeau represents a special case: he is a candidate who has numerous signatures from radical officials, but whose potential electorate regularly declines from one election to the next and is presently below 600,000 votes. He could theoretically stand with no problem but would be courting political suicide.

6. One must go back to the presidential elections of 1974 to put the extreme-right votes in clear perspective: Jean-Marie Le Pen and Bertrand Renouvin together obtained 234,645 votes, or a little less than 1 percent of the votes cast.

7. In the legislative elections of 1978, the extreme-left got 3.33 percent of votes cast, or 953,088 votes.

8. According to a study by Jerome Jaffre and Jean-Claude Parodi (REVUE FRANCAISE DE SCIENCES POLITIQUES, December 1978), in the 20 best districts for the extreme-left in the legislative elections of 1978, the PCF declined by 3.8 percent in comparison with the district elections of 1976, while in the 20 worst districts it lost only 1.8 percent. Thus an advance by the extreme-left would be made at the expense of the PCF. But also at the expense of the PSF to an unknown extent.

9. In 1974, Rene Dumont recieved 337,800 votes, or 1.32 percent of votes cast. In the municipal elections of 1977, the ecologists obtained 400,000 to 500,000 votes depending on how this is calculated. In the legislative elections of 1978, they took 621,000 votes, or 2.14 percent of votes cast. In the European elections of 1979, their tally went up to 891,683 votes or 4.382 percent of votes cast with, it is true, 39 percent abstention.

10. See Francoise Bonnal, "The Evolution of Public Opinion On Ecology in the Surveys," Elisabeth Dupoirier and Jerome Jaffre, "The Ecologist Vote," Daniel Boy, "The Ecologist Vote in 1978," French Political Science Association. See also Jean-Luc Parodi, "The Ecologist Movement in the French Party System," REVUE POLITIQUE ET PARLEMENTAIRE, No. 878. In terms of these studies and of our personal investigations, it can be conjectured that one of Brice Lalonde's problems will be to reconcile a rather extremist ecologist militancy with a more centrist electorate. A classic conflict in politics.

On the politics of ecology, see also PROJECT of July-August 1974, April 1977, February 1978, and September-October 1980.

11. This predominance seems thus more threatened by internal PSF strife than by the little candidates.

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CSO: 3100

UDF, GISCARD'S STATUS, STRATEGY FOR 1981 ELECTION

Paris LE MONDE in French 7 Jan 81 p 8

[Article by Noel-Jean Bergeroux: "The Giscardians between the Prospect and the Experience of 1974"]

[Excerpts] Mr Valery Giscard d'Estaing--who on Monday 5 January, accepted the good wishes of the journalists--did not give any hint as to his intentions regarding the presidential elections and he avoided all questions dealing with that subject. Nevertheless, the Giscardian family, like the other political families which will be running in this election, is preparing for the events of April and May.

Nobody would dream of denying that the UDF [French Democratic Union] is the party of the current president of the republic. But nobody imagines that the outgoing president of the republic could turn up as the candidate of the UDF during the April 1981 election.

The second statement explains why, at Elysee [Palace] and at the headquarters of the party in question, people are working hard to sustain a certain number of fictions regarding the independence of one from the other. It is no less true that the UDF and the office of the president of the republic are not preparing the presidential elections really together. Everything is happening as if the people at Elysee Palace keep their ideas to themselves, that is, their ideas on the entire issue, and as if the UDF officials are busy preparing their outfit for what they are able to guess these ideas might turn out to be.

At the Elysee, while everybody thinks of the campaign, it is not certain that this is an area of unique activity. People think, notes are circulated, people are certainly getting ready but they are also governing the country. Now, one thing is certain and that is the general strategy outline: "The president conducts the policy of France." He presides and he does not postulate. He governs and he does not waste his time on political maneuvers aimed at getting ready for his candidacy.

Except for a particular decline in the domestic situation or a sudden change in public opinion, which would justify action earlier than scheduled, he should be president as long as possible and a candidate as late as possible. It is understood that the candidate's strongest ace is represented by the fact that he is the president. Besides, the circle of people directly around the chief of state, in the

course of his daily activities, is relatively tight: Just about half a score of persons at most, all of whom are in charge of relatively broad and varied sectors. Finally, Mr Giscard d'Estaing has working methods all his own and sometimes solitary. What can come out of a council meeting, a memorandum, or a remark is generally unforeseeable. The broad outlines of the campaign are already as of today clearly charted in the mind of the chief of state but it is not certain for the time being that a general marching order has been passed on to the closest aides. Personal reflection still seems to revolve largely around a group effort.

At the UDF there was a time when certain officials complained about the absence of objectives and when that absence even promoted the burgeoning of self-appointed campaign managers." Today people have either taken sides regarding these facts of life or they have accepted the need for a separation of styles and missions between Elysee Palace and the alliance of Giscardian parties. In the absence of precise guidelines, the UDF leaders adopted a logical line of action which consists in organizing the operation of the apparatus with relation to objectives which, regardless of the type of campaign that might be chosen, are difficult to visualize: Appointment of officials, possibility of rapid mobilization, preparation of local teams, etc. It is within the prospects of this further mobilization that the national convention of the Union is now being prepared; it is scheduled to meet on Saturday, 28 February. Likewise, certain operations are already in progress in view of the Festival of Liberties which will take place in June (in other words, after the presidential elections), by the way making it possible to set in motion certain departmental structures which will be useful from the start of the campaign onward. Besides, on the occasion of trips which they are making to the provinces, the national officials are now recommending to the local officials to "identify" right now all those who, among the militants or the sympathizers could organize election meetings among their own groups with the candidate's spokesmen or those who will be asked to represent the interests of the candidate in the polling places. Teams given the job of putting up posters and distributing tracts must be capable of being constituted rapidly; likewise, each federation must know the addresses to which election material has to be delivered. In short, the machinery is being cranked up.

Marching Order

As for the rest, people are just putting their imagination to work; and they hope that they are not much mistaken since they refer back to the experience of 1974 and since, after all, the variations on this theme are not infinite.

Said a PR (Radical Party) official: "One fine day, a few hours after the president has declared his candidacy, I imagine that a dispatch for example will announce that the National Committee for Supporting the Candidacy of Valery Giscard d'Estaing has rented so many hundreds of square meters of premises in such and such a building for the duration of the campaign. We are going to get our marching orders and we are going to be at the disposal of the man who will have been appointed to get that shop going there."

Now, that "shop there" in 1974 was located on Bienfaisance Street and was run by Mr Lucien Lannier who later on became prefect of the Paris region. Who is going to get that job in 1981? That takes us into the area of speculation as to "who is

going to do what?" Some names are already being circulated. Thus, we expect rather to have a prefect for this specific role of organizing and management. Several career records are going to be reviewed in order to detect the reasons for which a man might be assigned a mission requiring trust: Mr Charles-Noel Hardy, prefect of Loir-et-Cher, has been a Giscardian from the very first moment, he is a former official of the Perspectives and Realities Clubs, a former member of the cabinet of Mr Giscard d'Estaing, and prefect of the department where the chief of state's son started his political career with an election to the general council. Mr Jean-Louis Chaussende, the prefect of Tarn, worked in the premier's office from 1976 to 1979. Mr Jean-Claude Quyoillet, prefect of Gard, former director of the Office of the Minister of Health, held the job of Secretary-General of Seine-Saint-Denis, when Mr Jean Riolacci, the future advisor to the president of the republic, was the prefect there. And then there are some more names.

The other sectors of the organization have not been defined in any further detail. Nevertheless, starting with some simple principles--such as, (1) Mr Giscard d'Estaing is not the kind of man who improvises; (2) some of his responsibilities are not the kind in which it would be wise to improvise--one can logically feel that innovation will not necessarily preside over the distribution of tasks to each man. For example, there is very little likelihood that Mr Victor Chapot, a specialist in finance management, and somehow the "treasurer" of the Giscardian movement, will not get overall responsibility for the material and financial operation; that Messrs Serise, Polge de Combret, and Jean-Francois Deniau might not turn out to be the nucleus of the team charged with preparing speeches and thinking about campaign topics. The first of these men, who holds the rank of charge of mission in the secretariat-general at Elysee Palace, is one of the oldest political advisors of the president of the republic. The second man is the assistant secretary general of the office of the president; in 1974 he was very much involved in the preparation of Mr Giscard d'Estaing's speeches, especially when the president went to the provinces. The third man was appointed in September to a position (minister of administrative records) where he either has too much to do or not enough time to do it all in and where he works very probably on the job of preparing the candidate's arsenal.

Likewise, while a political cell has been charged with the tactical implications of the campaign, it is nevertheless necessary to make sure that it will include some "professionals" such as Mr Riolacci, the charge of mission since 1977 at the Elysee Palace, the field operator by the name of Christian Bonnet, minister of interior, the boss of the prefects and the departments. On that level also one might use the advice and skills of one or the other loyal Giscardians or UDF officials. Relations with the press undoubtedly will be the responsibility of Mr Jean-Marie Poirier, the spokesman at Elysee Palace and a very politically-oriented man; the study of public opinion evolution and the results of public opinion surveys will be handled by Messrs Michel Pinton and Bernard Rideau (although either of these might not necessarily be inclined to join the team), etc.

Trouble

The UDF machinery is very gently putting its presidential team in place; the men who will play the main roles in this setup are beginning to come out. That leaves us with the state of mind involved here.

The end of the year certainly was not good for the Giscardians: The legislative by-elections and the public opinion surveys revealed a very definite slippage among public opinion; the Gaullist "partners" have developed a degree of criticism which leaves everybody confused and doubts sometimes come out.

On the high level of the Giscardian hierarchy, they are accustomed to political battles joined under difficult conditions; in 1974 and 1978 they were just barely able to win them. Never mind--what are they going to do this time? There is hardly any question as to finding out whether the chief of state will run because those who are preparing the 1981 campaign today are intellectually incapable of imagining a situation where "their" candidate might step down. On the other hand, the attitude of the RPR [Rally for the Republic] is causing real and profound trouble. To be sure, relations have never been cozy between the UDF and the party of Mr Chirac, but today the question involves the long-term intentions of the mayor of Paris: Did he not in fact decide to favor the victory of Mr Mitterrand?

Certain Giscardians as a matter of fact think that the Gaullist officials cannot believe in the objective which they have set themselves, that is to say, to put their candidate in second place during the first round of elections. They rather think that the way in which the RPR is currently handling the entire affair at any rate compromises the voting ratios during the second round of elections. According to them, this kind of attitude today makes it illusory to think that this RPR there might join the majority of Mr Giscard d'Estaing if the latter carries the day. Hence, they are not far from figuring out other accommodations. One can also encounter some incredulous persons according to whom the politics of Mr Chirac allow too much room for the irrational and the unmeasurable so that this would either lead to a failure of their promoter or to a "disaster." They maintain: "There is too much hatred and too much passion here so that we might fear an even suicidal stab in the back." At the UDF, people with some irony, mixed with concern, report a statement made by somebody close to Mrs Marie-France Garaud: "Every morning, Pasqua tells Chirac: 'That fellow is Carter and you are Reagan.' And Chirac believes it."

For those people, their hope paradoxically resides in their waiting for a president of the republic assuming a low profile and withdrawing in order to rediscover the aces which enabled him to win in 1974 and 1978: One or two clear ideas for his campaign, his ability to perform "perfectly" at the critical moment, an image without any connection to any political intrigues of the moment. In short, a sitting president who will not have been worn out by 7 years in office. And above all, a candidate who has rediscovered the fighting spirit he displayed throughout his long career, which he seems to lose the moment he needs it most.

As a matter of fact, the question which some Giscardians ask themselves is perhaps quite correctly whether this fighting spirit itself is not perhaps likewise subjected the kind of burnout that comes with power.

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CSO: 3100

DEVELOPMENT PROGRAMS FOR STATE HOLDINGS IRI, ENI, EFIM

Milan IL GIORNO in Italian 2 Jan 81 p 6

[Text] Rome, 2 January--The new year begins with favorable prospects for the state holding companies. The ENI [National Hydrocarbons Agency] last year obtained positive results, and President Alberto Grandi arranged for new investments totaling 15.7 trillion lire. The EFIM [Manufacturing Industry Holding and Financial Company]--as its president Corrado Piaccavento had announced in advance--issued a balance sheet in 1980 that was almost in economic equilibrium and is proceeding with its investment plan for the period 1980 through 1984. The IRI [Industrial Reconstruction Institute]--although still in a serious economic situation--is going forward with the reform program launched by Pietro Sette.

In addition to the improved economic situation and the new organizational efforts, the groups and public enterprises will be able in 1981 to derive new vitality from the policy of Minister of State Participations De Michelis, who has prepared a plan and a series of interventions designed to restore managerial autonomy to the public managers and thereby free them from the political restrictions that have until now hindered implementation of a system of self-management of the enterprises that is based on purely economic criteria. This strategy of De Michelis has been welcomed by the heads of the state holding companies who have for some time been demanding a greater measure of autonomy.

Following is the situation--as of the end of 1980--with respect to the three holding companies, together with their prospects for activity and their investment programs. The first balance sheets available concerning the economic results for 1980 demonstrate the vitality and operational capability of the ENI.

ENI: 12,000 New Jobs

The proceeds received from third parties for the sale of goods and services exceeded 28 trillion lire, of which total 83 percent related to the energy sector. Investments totaling more than 2.5 trillion lire were made, representing an increase of 60 percent over the figure for 1979. The results of the consolidated statement of the group were also positive, after approximately 1.6 trillion lire was allocated to amortization. These results have enabled the ENI to present itself on the international financial markets with renewed credibility which is reflected in more favorable conditions for access to credit, as occurred in the case of the recent \$500 million loan subscribed last 16 December in London.

For the period 1980-1984 investments totaling 15.7 trillion lire have been scheduled in the various sectors of activity of the group, of which total 4.1 trillion is destined for the South. This program will result in the creation of 12,000 new jobs, of which 5,600 will represent a net increment in employment and the remainder will replace jobs lost in the turnover process. In the field of energy supply the ENI made a significant contribution both in terms of quantity and in terms of diversification of sources and origins.

In 1980 the ENI supplied the nation with approximately 42 million TEP (equivalent tons of petroleum), representing 38 million tons of crude and 4 million tons of petroleum products, and distributed approximately 26.5 billion cubic meters of natural gas.

During that same year many important agreements were concluded in the various sectors in which the group operates--agreements which exemplify the collaboration between the ENI and the various countries in which the group does business.

EFIM: Toward Restoration of the Equilibrium

As the year 1980 ended EFIM was making good progress toward restoration of economic equilibrium. Specifically, its balance sheet showed liabilities limited to 1.5 billion lire as against 2.5 trillion lire in sales.

During the year just ended investments totaling 1.71 trillion lire were made. In the future EFIM's action will continue to focus on the development of the South: the investments scheduled for the period ending in 1984 total 2.284 trillion lire, of which total 1.57 trillion (approximately 70 percent) is designated for the South.

To achieve the foregoing objectives, requests for the appropriation fund for the 5-year period 1980-1984 total 510 billion lire--a figure 400 billion less than the fund appropriated for the 5-year period 1979-1983.

IRI: Exports Increase 33 Percent

In 1980 the IRI achieved total sales estimated at approximately 26.1 trillion lire. Although the definitive data are not yet available the provisional figures already show an increase over the figures for 1979, when sales totaled 23.3 trillion lire. A substantial increase is noted in the total of sales made abroad, which increased from 4.875 trillion lire in 1979 to 6.497 trillion lire in 1980--an increase of 33 percent. The proportion of such sales increased from 21 percent of total sales in 1979 to 25 percent in 1980.

Sales were 17.5 trillion lire in the manufacturing sector compared to 16.5 trillion in 1979, and 8.6 trillion lire in the service sector compared to 6.8 trillion in 1979.

In 1981 the IRI group will increase its presence in the South, and 1.7 trillion lire of the total investment authorized is allocated for this region. The program for 1985 has suggested a financial commitment of 6 trillion lire for the South.

With regard to the various sectors of economic activity, the IRI will develop--among others--the electronic and aeronautical sectors and certain areas of the electro-mechanical and telecommunications sectors, while it is committed to the effort to

reform--but without altering the dimensions of--those sectors which have been adversely affected by serious international crises, as for example the shipbuilding and steel industries.

In all sectors the IRI plans to restore profitability to the enterprises, again with the objective of expanding the participation of the private sector in the capital stock of the companies which comprise the group.

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CSC: 3104

CISL LEADER INTERVIEWED ON LABOR UNION UNITY

Rome RASSEGNA SINDACALE in Italian 11 Dec 80 pp 13-16

[Interview with Confederation Secretary Mario Colombo by Francesco Cuzzo: "The Prince Has No Clothes To Wear"]

[Text] We are continuing our survey on democracy in the labor unions with this interview with Mario Colombo, CISL [Italian Confederation of Labor Unions] Secretary-General. We particularly dwelled on labor union unity problems in talking to him.

RS [RASSEGNA SINDACALE]: Should labor union unity be reviewed and revised?

Answer: I believe it should. I am one of those who, in the Italian labor union movement, felt that organizational unity should be our next objective.

But the passage of time has shown that this objective was unattainable. There are some of us who blame responsibility for this failure on the determination of the labor union leaders alone. I am convinced of the opposite. The truth is that the Italian workers continue to be characterized by a significant split from the ideological, cultural, and political viewpoints.

RS: Do you then think that the revival of unity-oriented relationships should spring from the acceptance of this fact of life.

Answer: My conviction is this: over the past 20 years, but especially between 1967-1968 and 1973, the labor union was a big factor in economic and social change throughout the country which led to a more equitable distribution of wealth but also to a more equitable distribution of power in Italian society.

We know that, to go even further, we need maximum labor union unity but not only in abstract and sentimental terms. Those who, with words, maintain that organizational labor union unity is still something which can be achieved rather soon are only introducing an element of confusion into the labor union debate which is destined to complicate rather than simplify matters.

RS: Let us then say that you are for unity amid diversity.

Answer: I am precisely convinced of that.

RS: Why does the document for the National Assembly of General Councils and Delegates, to be held in Milan, not take up the problem of unity in order to debate it? This is an important topic for labor union policies and for the democratic development of the entire movement.

Answer: This topic--and my interpretation here is entirely personal--was not taken up because the labor union leaders are somewhat worried when it comes to expressing themselves.

There is no doubt that, if we think that organizational labor union unity cannot be achieved over the next several years, it is necessary to rebuild a life for the individual organizations and in this sense the confederation's choice is one of the obligatory consequences. But this introduces complicated problems with many components drawn from the Italian labor union movement. Let us then say that there is a certain worry about tackling this argument because it means that we are necessarily going to have to draw the proper practical conclusions.

RS: So, it seems we prefer to leave everything in doubt.

Answer: Let us say that, rather than leaving everything in doubt, it seems to me to be more correct to say that things are in limbo. Tacitly it has been decided to leave the issue of labor union unity up in the air so as not to have to tackle specific problems. I believe that this is a mistake; it would have been much more useful, also for the purpose of strengthening unity, to discuss this entire issue in an open and unbiased fashion.

RS: Not doing that would then imply a specific choice?

Answer: I do not believe that you could say that it was a deliberate one. I repeat: tacitly, we did not talk about this issue, that is to say, there was no proposal from any organizational component or any leader and the thing was simply shelved. This is why one cannot talk of a deliberate move.

RS: Looking at the document some more, it is said that a split was detected between the labor unions and the workers. This is an issue which however was not addressed in the document: but it is necessary to go ahead or at least to try to go ahead and seek to work out the underlying mechanisms which caused this defect. It seems to me furthermore that the document proposes something and then responds with solutions of an organizational type to be applied to this issue. What do you think?

Answer: First of all, I do not agree with the manner in which the question was put because it seems to me that it reflects a judgment by the press, the so-called sensationalist press, which in my opinion is unacceptable.

RS: I know exactly what you are driving at.

Answer: I know. This statement about a split somehow got into labor union language especially after the events of July, along with the issue of 0.50 and then with the Fiat situation. I am convinced that relations between the labor union organization and the workers today are more difficult than some years ago but this is not a split.

Reality is not absolutely as ugly as some people want to depict it; I hope that this passage in the document will be corrected.

The fact is that the dissent which exists today in the labor union revolves not so much around the forms of democracy because its current forms are those of yesterday.

RS: But they can become rundown.

Answer: If they have become rundown, this is because they proved to be sufficient at moments when the movement was in high gear and when there was a high level of mobilization. When we had a low level of mobilization in handling the confrontation and clash with the employers, these forms proved to be insufficient. In any case, the disagreement revolves around policy issues.

RS: But what proof do you have in support of that thesis?

Answer: The document is divided into several parts; just one part, the part on democracy, was capable of being extended in a united fashion. That is not true of all the others; I believe that this is your acid test. There are no difficulties in the labor union movement in finding more adequate forms of democracy which I personally continue to consider valid, but what we have here instead is a difficulty in implementing those which we had spelled out at Montesilvano.

The only correction which I would think of proposing today, regarding what we drafted at Montesilvano, has to do with the assemblies. They consist of the most diverse persons and in the end they therefore do not turn out to be occasions for in-depth development but rather factors of confusion, where prevarication also becomes highly possible.

The real difficulties--I repeat--involve policy; they do not relate to the opposition on the part of somebody against the adoption of more substantial and stronger democratic procedures which are more capable of making sure that we are going to have a one-man-one-vote situation, that everybody can freely express his own individual opinion.

The labor union today has a problem of policy diversity and the document confirms this.

RS: Would you like to give us some examples?

Answer: The issue of reducing working hours: the CISL considers this an unavoidable thing and a strategic element in guaranteeing employment levels and it therefore proposes a tendency toward a generalized reduction of working hours; this, for example, is not the opinion of the UIL [Italian Union of Labor] and the CGIL [Italian General Confederation of Labor].

Concerning the establishment of the solidarity fund, we have several solutions available, including no solution at all, in other words, the alternative of not establishing the fund in the first place. These are the reasons behind dissent. But I would like to add another one which perhaps the document does not properly stress.

There are some segments in the Italian labor union movement--in this case, the majority segment in the three organizations--which think that the present economic and production situation is different from what it was 10-12 years ago, which think that the labor union movement, in other words, the workers, have instruments of power which they did not have 10-12 years ago and that, because of these two different conditions, the labor union should continue to be an organization aimed at labor demands. It would certainly be a shame if it lost that connotation; but it must necessarily also become an element of handling the various segments of society and that is where the disagreement comes out. The debate is going to revolve around policy, not by exchanging the divisions which emerge regarding policy with the problems of democracy.

RS: In my view unity can be attained through a sound democracy based on majority groups and minority groups, eliminating lineups of a confederation or partisan type.

Answer: I have no doubt on that score. We will manage to overcome this difficulty and therefore to rebuild a united demand-oriented policy for the labor union which will be quite in keeping with the changes--if the logic of the particular lineup does not intervene.

RS: But does that danger exist?

Answer: I am quite optimistic. For example, looking at the issue of the well-known solidarity fund, we might say that the discussion will dispense with any groupings. The debate, which will be conducted over the next several weeks in all work places, and after that the conclusions at which the Milan assembly will arrive, will show us whether this is the only way to get the labor union to present itself with a really unity-oriented demand platform.

RS: Of course, the divisions have arisen on the matter of policy but it is true nevertheless that an ever larger number of workers keeps demanding to participate increasingly and displays a determination to assert itself, in summary, there is a need for concreteness against any kind of useless Byzantinism. What do you think about that?

Answer: I agree that this involves a state of mind on the part of the workers. We have to go along with that in two ways: the first one is to propose to them some formulas which will be understandable and hence not Byzantine. For example, the document with which we are going to set before these assemblies is not the best solution; submitting to the workers a 60-page document, with the kind of language that often and deliberately is understandable only to the initiated, because that is the only way to overcome disagreements between the organizations, certainly is not the best way to go. We must propose alternate theses to the workers or unity-oriented choices which will be clear and on which it should be rather easy to express oneself. And here is the second point: it is necessary to propose decision-making procedures to the workers which will be real, not fictitious procedures. The big meetings in the factories, which are attended by thousands of other people, undoubtedly are not the ideal place for an in-depth development of the issue and do not enable the workers really to participate.

This is why the referendum proposal should be handled very cautiously. Labor union matters cannot be boiled down to a simple yes or no. The consensus must be much broader than just 51 percent. This does not mean that we should not adopt the referendum but the referendum should be understood, not as an instrument replacing the representative structure of the Italian labor union movement, but rather as one of the subsidiary instruments.

I am convinced that the labor union should organize very serious surveys in order to find out what the thinking of the workers is and it should identify the major options without slipping into sociological jargon.

RS: I believe that it is correct to present alternate theses in a document that is submitted in a unity-oriented fashion; this gives people an opportunity to feel that they are adult and that they can make a choice but there remains one defect of democracy: many of those alternate theses are not understood--and I said that earlier --in other words, they are written in some kind of code. Summitry really dies hard. Do you agree?

Answer: I would have preferred a clear document without any alternate theses because that would have reflected a condition of unity in the political area.

But this document reflects the division which I alluded to earlier and which exists within the labor union movement. It is nevertheless an act of courage on the part of the CGIL-CISL-UIL Federation with which I agree. Between a document which says nothing on the differences and a document which drags them out into the open, even though it does so in a debatable form, I prefer the second solution. We are not a sect which must necessarily hold its discussions in secret; we are not the Masons.

But you have to be careful because this method entails a danger. People can support the various alternate theses not on the basis of their own personal convictions but on the basis of the organization or some part of the organization which proposed the alternate idea. If this were to happen at the Milan convention, rather than recording an improvement in the policy area, in the area of unity-oriented relationships and in the area of democracy, we would come face to face with a result that is definitely short of the need for qualitatively improving labor union action.

RS: But you did not address yourself to the problem of summitry. So I will put it to you again: is it summitry which has created bureaucratism or is it bureaucratism which has created summitry?

Answer: The fact is that the contract-negotiating area on the decentralized level has gradually been shrinking due to the evolution of the economic and production situation. And it is reality which has produced this tendency toward concentration. But there is also a tendency toward expanding full-time work in the labor union beyond the level necessary. It seems to me that one of the positive aspects of organizational reform would precisely involve the effort to decentralize the structures, that is to say, to multiply them.

I must inject a note of caution here however because concentration is a tendency characteristic not only of Italy but of the entire Western World.

RS: Of complex societies.

Answer: Of complex societies. The answer does not reside in the moral judgment which some people are expressing with regard to the national confederation and worker category leaders who supposedly are obstinately bad. It is naturally necessary to make decisions capable of regaining the power which has gradually flowed toward Rome and that power must be returned to the periphery. Nevertheless, it seems to me that the problem involves not only the confederations but also the worker categories if it is true that all contract negotiating activities on the enterprise level are above all planned, coordinated, and promoted by the worker categories and not by the confederation headquarters.

RS: Is it possible to do away with red tape and summitry? And if yes, how?

Answer: I believe that bureaucratism can be defeated by reducing--to a minimum or by eliminating completely--the figure of the worker who is not a part of a democratic mechanism. You reduce red tape by furthermore rotating the labor union officials in their positions and that necessarily also means from the top down.

I believe that it is necessary to introduce the kind of practice which, for example, will find the secretaries of the horizontal structures become secretaries of the vertical structures and vice versa, with secretaries of national structures becoming secretaries of local structures and viceversa. Finally, you have to set a target date by which you have to rotate those officials.

I know that this is a very hotly-debated issue; in the end, people mention the example of Pertini who, although he is rather advanced in age, is an excellent president of the republic, but I maintain that Pertini is the exception to the rule.

RS: In other words, he confirms the rule.

Answer: It is precisely these exceptions which must introduce, into the entire labor union movement, certain mechanisms which specifically will bring about the switch from one role to the other. This does not mean leaving the labor union movement; it means becoming involved in a different experience, it means coming into contact with different realities. This is the way to fight bureaucratism. To fight summitry, you have to establish democratic rules capable of not only strengthening the procedures through which decisions are made but also of very clearly establishing the real powers in the charters of the various levels of organization.

If we want to rule out the assumption of the referendum, we must say quite clearly what the powers of the council of delegates, of the provincial labor union, etc., are so that each will have its own power, whereas it is also necessary to establish the boundary lines of power and responsibility.

Furthermore I am convinced that whoever holds the purse strings has great power. It seems to me that what we need here is a more balanced distribution of funds on the various levels, both national and within the organization.

Finally, we cannot fail to take into account the activities of the mass media regarding the formations of public opinion. The mass media consider the labor union to be an element of everyday life.

RS: A body which forms the consensus.

Answer: It is clear that, in the past, the labor union leader was not a subject of attention on the part of the electronic and the printed press and hence the information mechanism was an internal mechanism; the secretary would send out the circular and everything was handled by mail, the labor union newsletter was important because it was the only instrument of spreading the news, hence, a knowledge on what was going on in the labor union movement.

The media became interested in the labor unions ever since the latter assumed relevance from the viewpoint of running the country; but the labor union leader is unprepared and hence you will get all kinds of directions. He swaps the newspaper, as an information organ, for a place in which he will participate in the development of the labor union's decision.

No. Labor union decisions must be made in the right place, not in the press. Let me make one thing perfectly clear: we must talk to the journalists, without fear, every day, but we must also keep in mind that a labor union, organized in a representative fashion on several levels, makes its decisions in the natural places and not in the press.

If we do not correct this tendency, then it is clear that we will be moving toward the referendum-based labor union. As a matter of fact, this model uses the mass media to form opinions which are then confronted through the general use of the referendum.

We must instead bring to life a labor union where the workers will participate, not a labor union where you have a king on one side and the people on the other side.

RS: The fact is that the model of the king and the people can even be found down on the level of the factory councils.

Answer: Precisely; but this is the aspect of the Italian labor union movement which does not work and which must be corrected by talking about it openly. The problem cannot be solved--as somebody used to think--through the way of the referendum. Of course, that is one way. It is not true when people say that the model of the council-based labor union has no alternative. The alternative resides in the referendum-based labor union model where you have a few leaders who know how to manage the information instruments and who then skip all of the intermediate steps and address the people directly. I am against that kind of labor union.

5058
CSO:3104

PCI MEMBER CRITICIZES PARTY'S ACTION IN SOUTH

Rome RINASCITA in Italian 9 Jan 81 p 2

[Letter from Saverio Bianco: "The People Are Tired of Waiting"]

[Text] Dear Editor,

As a Southerner and a communist, I shall try to consider the status of the party in the South. Not because what has happened in the North is irrelevant to me but because the South is what I know best.

I don't want to seem paradoxical, but I seriously doubt that the party is fully aware of what the Southern people are going through. I seriously doubt, too, that the party has informed itself and analyzed, as was and is urgent, the old and complex Southern question. The "missions" of the comrades in the party leadership don't amount to anything if nothing comes of them afterwards. Chiaromonte said the South might explode at any moment. It hasn't, but not on our account. Yes, it did explode on 8 June, but it was to give an avalanche of votes to the DC [Christian Democratic Party].

Unless we realize that the South is a region in motion, differentiated and in no way to be lumped together in a single depressed area, and that we as a party are far behind in understanding and evaluating its peculiarities, zone by zone, we run the serious risk of falling even further behind. We are quite convinced that the analyses of the old Southernists are outdated and that new ones need to be formulated, but to do this, the whole party will have to take on the task.

The Southern question should become, without delay, a national question, an item on the agenda that the whole working class ought to take up. Didn't we do that with terrorism? We ought to give priority to understanding what the South is, and to understand it, we need to study, analyze and help it. Let us then get to work with all the energy at our disposal to undertake the great task of knowing and studying the South. Let us make this appeal to all intellectual, democratic and labor forces and together undertake an ample initiative to deal with the fate of the Southern people. It is very hard to do political work in the South, especially for us communists. The people are exasperated. And they are tired of waiting. We cannot permit the breach to widen between citizens and institutions in the South. "They're all the same. At election time they come and ask you to vote for them, and then you never see them again." That gives food for thought, because it is not an isolated opinion. Whoever walks through the neighborhoods and goes into the houses knows things are getting worse. But whom does this favor? Not us. Our sections are getting empty, and even the comrades are getting fed up.

Some time ago a conference was organized by Rossanda on (as they put it) the disaffection of labor. Now, in the South, not only are the workers affected (they have to be) but they will even go thousands of kilometers to find work. And who still mentions the hundreds of thousands of Calabrians who have been forced to emigrate? I bring this up because it is emblematic to me of what the long-term consequences of the South's problems may be. It is urgent to act quickly. The South needs stable, productive jobs, and it needs to find new faith in democratic forces and institutions. Where there is productivity and income we have unity and strength. Where there is parasitism and poverty we are a weak minority. It seems almost self-evident to me, but why don't we devote all our energies to bridging this gap?

[Signed] Saverio Bianco

8782

CSO: 3104

PCI'S MACALUSO INTERVIEWED ON FUND FOR SOUTH

Palermo GIORNALE DI SICILIA in Italian 28 Dec 80 p 2

[Interview with Senator Emanuele Macaluso, officer for PCI Southern policy, by Giovanni Pepi: "Macaluso (PCI): The New Fund Is Useless to the South"; date and place of interview not given]

[Text] Its efficiency would not be greater than that of the regions. The Communists renew the proposal to abolish it.

In approving the proposal of Minister Nicola Capria, the government has decided to reform the Fund for the South. It will no longer be the exclusive preserve for special intervention in the South, as it has been for 30 years, but an agency serving the regions. The area of activities will tend to shrink in order to benefit the more impoverished South. Incentives for industry will be quicker and easier to get, and small business will have a wider range of support services. The reform is supposed to be implemented in 1982. The year 1981 will be the year of the great debate in and outside of parliament. It will be tough sledding.

[Question] One of the problems is this: What will the PCI's position be? Will it insist on demanding the abolition of the Fund and the ministry? Or is an agreement on reforming it possible?

Senator Emanuele Macaluso, officer in charge of the PCI's Southern policy answers: "There will be a confrontation. Minister Capria said explicitly that his reform proposal is not to be considered as a take it or leave it affair. We'll have to see whether the government will consider our proposal without prejudice, and to what extent."

[Question] But will you continue to call for the abolition of the Fund?

[Answer] The question is not the fate of the Fund. You have to wonder whether the South today, with all its problems and changes, needs an entity like the Fund for the South or not.

[Question] The government says it is needed so the South won't have even less of the technical and professional capacity it already is short of.

[Answer] Let's not deal in generalities. They are talking about the Fund's planning capacity. But what capacity? Most of the projects are contracted out to professionals outside the Fund. True, the Fund does have a nucleus of valuable technicians for review.

But these professionals will not be dispersed; our proposal provides for their serving the regions in other ways. The Fund is no more efficient than the regions. The figures say so.

[Question] What figures?

[Answer] It takes 6 years to complete a minor project; a major one, 10 years. They wanted as long as 20 years to build a hospital. The regions don't take any longer than that. And when you talk about the Fund, you mustn't forget the vitality of some structures. But what kind of efficiency has the industrial development consortium shown? Or the land planning consortium, especially the one in Belice? These entities have held the South back. The government's proposal will make matters worse rather than better.

[Question] But substantial improvements are planned. Many tasks will be decentralized and given to the regions, and the lead time for industrial incentives will be shortened.

[Answer] I don't deny the good intentions behind the reform, but it's like trying to get a misbuttoned vest to fit.

[Question] What do you mean?

[Answer] Have you ever buttoned up a vest wrong? Every time you try to fix it, you just get the buttons and buttonholes more mixed up. People forget that an attempt to reform the Fund has already been made under the present law number 183, which has been extended through 1981. It improved on the old system by introducing important changes in the institutions to give more power to the regions and to launch planned participation through special projects. The whole thing has fallen through. Why? Because the Fund was set up at another time and shaped for purposes other than those now intended for it. In short, we have to unbutton the vest and start all over again. We say this not out of love for radicalism but because the reform of extraordinary participation should be an occasion for reforming the system of power in the South.

[Question] In what way?

[Answer] There's a lot of talk now about the faults of the Southerners...

[Question] Maybe too much. Luciano Lama, the CGIL [Italian General Confederation of Labor] leader, has written in RINASCITA about a strong anti-Southern feeling that may break out in the North.

[Answer] I think the problem is this: the earthquake caused a rediscovery of the South, and it liquidated a by now widespread, outworn and facile theory about the Southern question. At the same time, a too-weak vision of the facts has emerged, shall we say, the historical-moral facts about the relationship between citizens and power. To make myself clear, you can't cry scandal because the South has the Mafia, gangsters, apathy and inefficiency without attributing it all to the state's manner of being in the South.

[Question] What manner of being?

[Answer] The proliferation of the middleman between citizens and institutions. The individual relationship is necessary in almost all administrative functions: to get work, credit, a house, or a contract. This promotes subservience and even violence. This is the issue of power in the South today, and it is a crucial aspect of the Southern question. And it can't be sloughed off when people start thinking about reforming state participation.

[Question] It is also said that the emergency created by the earthquake may overwhelm the needs of the rest of the South. Is this a real danger?

[Answer] Yes. And it would be a serious mistake not to consider the reconstruction of the earthquake zones in the context of the whole Southern question. We must set the South's broken bones without making things worse in other areas of the South. The areas where a process of industrialization has begun are in crisis. The development of flourishing agricultural areas has stopped; the gross production is not up to what it was 6 years ago.

8782

CSC. 3104

MINISTER ALBEDA: ECONOMIC SITUATION RAPIDLY WORSENING

Amsterdam ELSEVIERS WEEKBLAD in Dutch 13 Dec 80 pp 16-17

[Report on Interview with Minister of Social Affairs Willem Albeda by Johan van den Bossche and Nico van Grieken: "I Cannot Save the Country With This, No. Too Much Is Wrong"; date of interview not given]

[Text] "If things remain this way, there won't be a wage measure," said Minister of Social Affairs Albeda to EW [ELSEVIERS WEEKBLAD] just before the third Tuesday of September. He meant that he did not find a wage increase of 8 percent in 1981 unacceptably high. For that matter, the minister had already mentioned that quietly to FNV [Netherlands Trade Unions Federation] Chairman Kok at the end of August. Thus the union leader entirely counted on that.

Unfortunately, things did not remain "this way." The economic situation worsened at a terribly rapid speed. Albeda, covered in the rear by the Second Chamber, took a partial wage measure, to the great bewilderment and anger of the union movement. An extensive discussion with a repentant minister of social affairs about his appraisal and strategy errors. But also about his most recent certainty: "A union movement which wants to break through the partial wage measure by agitation will get insufficient support from its members and from the public."

One man at least in The Hague knows what pruning is: the gardener who vigorously reorganized the greenery around the ministry of social affairs recently. Albeda, while directing his pensive gaze in that direction, must have watched him with envy. Oh, that was really cleaning up and making a new start!

The grim circumstances in the Dutch economy would certainly justify just as drastic an eradication. But, as CDA [Christian Democratic Appeal] Parliamentary Group Leader Lubbers tried to explain to us once, there is also something like the political reality of The Hague. That was in May 1979 when drastic cutbacks had to be made and the former minister of economic affairs said that the economic circumstances were not very bright.

Well now, unemployment currently has risen to around 300,000 men and women. The expected receipts from the BTW [Value-added Tax] and the company tax especially are 3 billion guilders less this year. The financing deficit, which has already been a dead weight for the nation's household for quite a few years, will certainly not be less than 7 percent. The worsening of the economic situation thus is continuing at high speed.

In other words: gone are the foundations of all those beautiful party programs of the PvdA [Labor Party], CDA and VVD [People's Party for Freedom and Democracy], gone is the ground beneath the 1981 draft budget, gone is any prospect for a recovery of the economy. The zero growth is still further deteriorating the socio-economic relations in this country. The head-on clash between the two top figures, Minister of Social Affairs Wil Albeda and Chairman of the Netherlands Trade Unions Federation Wim Kok, is a deglorifying example of it.

Way Off

As late as 28 August of this year Minister Albeda assured trade union leader K. over the telephone that the Van Agt Cabinet did not have a wage measure up its sleeve if the wage increase would remain at 8 percent. On the same day the minister sent the Social Economic Council a request for advice in which he announced he expected a wage increase of 8.5 percent. Within 2 months, however, consulting economist Albeda found out that he had been way off. The key economic data of the oracle of Professor Van den Beld and the Central Planning Bureau had aged and worsened with unexpected great rapidity. The prospect for a Central Accord between employers and wage earners, if ever it had existed, disappeared entirely when the Second Chamber adopted the Lubbers motion and the cabinet was charged with limiting the wage increase to 3 to 4 percent. Albeda brought it to 2.5 percent.

This a wage measure. A partial one. Wim Kok was fuming. Albeda had played him "a very dirty trick" he told EW. That might have meant a lower phone bill for the two gentlemen, but no, Albeda and Kok are almost friends again, after a hard talk. Meanwhile the economic situation is not looking up.

Very Simple

EW: In September you were still satisfied with a wage increase of 8 percent; 2 months later you wanted to arrive at 5.5 percent. That is curious.

Albeda: No, that is very simple. It has to do with various factors: the worsened economic situation, a decision by the chamber to achieve further wage curbing, and unanimity in the Labor Foundation (consultative body of employers and wage earners) that the wage increase had to be considerably decreased.

The latter meant that no one would be surprised if his union federation or wage earners' organization would want to review the figures already agreed upon in CAO's [Collective Labor Agreements]. Therefore the government reconsidered the viewpoint it had taken off: "no wage measure at 8 percent."

[Question] Then why was Kok so angry?

[Answer] Kok did not understand that a government can never tie itself so strongly to a statement made by me, regardless of the changed circumstances.

[Question] But didn't you tell Kok on the telephone at the end of August that there would be no wage intervention. He could hold you to that publicly.

[Answer] That is correct. Kok took my phone call as it was intended. Namely as a clear announcement: "In the cabinet there is agreement that there will be no wage measure." For that matter, I phoned him only after he had stated publicly on 27 August that the government had the wage measure ready and waiting. I phoned him with the message: "Wim, this is precisely the way in which to really get a wage measure. It is a self-fulfilling prophecy." If everyone is convinced that there will be a wage measure, then you don't seriously need to discuss wage curbing any longer. I wanted to prevent that with my statement.

But moreover, I also meant what I said at the end of August. Only, the situation later changed so much that I came to face the not so easy decision to renege on my agreement. Thus Kok started to talk about a wage measure which, on reflection, could not be sustained by the government. Therefore he justifiably got the feeling that he had walked into a trap. Only, I never realized that it was so clearly a trap. Just as I didn't realize in time that I could very well get into a situation in which I simply could not manage not to intervene.

The human problem between the two of us is that I got into a tight situation, through which I had to take back something I had really meant. But we are now having a good discussion on that.

[Question] Are you and Kok good friends again?

[Answer] That is not the question. It is whether we can associate again in a businesslike manner. And I am not pessimistic about that. Last week I had a good, hard discussion with him, and we are continuing it.

I don't want to be childish, of course. But I could also tell Kok that the wage measure he feared did not come about. For he never thought of a partial wage measure either. The changed economic circumstances plus the fact that it did not become a general wage measure should have been an indication for him not to make such high demands. Although I admit that I was rather impressed by that.

Question of Conscience

Economically the Netherlands has not prospered for a long time already. Couldn't you have predicted that bad course of events?

[Answer] The speed with which work opportunity worsened in September, October and November was the reason for me to go back on my statement. During the discussions in the foundation, when everyone brought up that "something had to be done," I made that decision for myself -- without being pressured by my colleagues. I did indeed get into a question of conscience then; it certainly was nothing else.

And certainly not a trick, as was suggested then, and by which I was rather upset. The facts were so overpowering that I was obliged to change my opinion.

[Question] With it, you gave Kok a terrific kick in the shins.

[Answer] That is correct. But I never denied that. Not to Kok either.

[Question] How could you do such a thing?

[Answer] Well, you saw that.

[Question] Bad judgment?

[Answer] In August I indeed did not realize the tight situation I would get into later on. For that matter, I believe it was good that everyone thought that the wage debate was a free and open discussion.

[Question] Was that at the back of your mind in August?

[Answer] Certainly. For otherwise there would have been no discussion in the foundation. In other words: The success of my story to Kok in August brought me to its retraction at the end. And although you are sitting there grinning, I myself found that the tragedy of the whole thing. For me it was really a tragedy that the FNV was able to decide freely on the basis of my statement and that later I had to withdraw that statement. In my strategy there was no doubt that the social partners had to have the conviction that there would be no intervention. Of course, I should have phoned Kok. Therefore I think that the blame in the whole situation lies more with me than with Wim Kok.

Staggering

[Question] But what exactly is the intensely worsened economic situation?

[Answer] That of the increase of unemployment. Those numbers are coming to me with a relentlessness and of a size which stagger me. Therefore I am surprised about Kok's statement in EW that nothing has worsened economically. He doesn't call an unemployment increase of 40 percent in a few months an economic worsening!

You will see it this week: the debate on the partial wage measure will be much bigger than that on work opportunity at the beginning of November. And that at a time there ought to be more concern about unemployment. During the discussion of the partial wage measure this week, the chamber will again not be large enough, while that measure doesn't mean much to anyone.

[Question] Do you expect to be able to recover work opportunity with a partial wage measure?

[Answer] One of my favorite statements is: A wage measure is effective only when it is not needed. The bad economic situation could easily lead to the possibility that we can stay with a partial wage measure, so that we don't have to go over to a general wage measure. In June I still thought: Partial interventions lead to general wage measures. I am more optimistic about that now.

[Question] Aren't you afraid that people will try to avoid it through incidental wage increases such as scale increases, overtime, bonuses, etc.?

[Answer] I don't believe that because many companies already have great difficulty keeping their head above water.

[Question] Is the labor incomes quota (that part of the company income which goes to wage earners) of 97.5 percent your best friend at this point?

[Answer] That's what I mean, yes. I know very well that a partial intervention won't save the economy, but a number of jobs will.

[Question] If the CAO debate results in too high a wage increase, then what will you do?

[Answer] If a frontal breakthrough threatens in a number of sectors, then I have to take a general wage measure. In an incidental case I will intervene in an incidental manner, with a measure directed at a certain sector. I know that the PvdA and the VVD object to providing me with that instrument this week. But I attach great importance to that. Therefore I will have a firm talk with the VVD this week. Referring to liberal principles, I will tell them that one shouldn't intervene in a drastic manner if one can do it in a small way.

[Question] If excessive wage increases are agreed upon by the "ports" and the food unions, is that not a frontal breakthrough?

[Answer] Yes, that's an example. But I don't think that much can happen there. If something happens, it will occur in incidental cases. Therefore I must be able to intervene in an incidental manner also. Otherwise it would be unfair to the people who do accommodate themselves to the partial intervention.

Stretched

[Question] But you're not doing anything fundamental with this partial intervention, are you?

[Answer] I don't think I will save the country with it, no. Too much is wrong for that. For example, we are facing the fundamental problems of re-industrialization -- that is much more important than a somewhat highly inflated wage amount. Although a reasonable level of wages could certainly help us in that re-industrialization.

[Question] The financing deficit is at the excessive level of 7 percent. A level in which you participated by carrying through a tax increase of 1 billion guilders. Next year more has to be put back than what you have given the people in tax cuts.

[Answer] I merely stretched the financing deficit a little, exclusively for the short term. In the long term, a substantial curbing of the wage amount will lead to a decrease of the financing deficit. But, indeed, that will happen only after 1981.

[Question] Your colleague of finance, Van der Stee, will never get out of it in this manner. Thus, in fact, the partial wage measure should be extended.

[Answer] I find it a little early to make statements already now about a possible wage measure in 1982. Then I would be running ahead on what my successor should do.

[Question] We are pointing it out so that it won't take you by surprise.

[Answer] Those problems are on the shoulders of the new cabinet. But however that will appear, that cabinet will also have to start out from a more extensive wage curbing. That is clear already now from all the election platforms.

Look. I read in an advertisement that the PvdA wants to be in the government. But do you really believe that the PvdA can carry out a curbing of zero for the lowest incomes and of minus 5 percent for the highest incomes every year? I think that is too much for the highest-paid, while simultaneously it will yield too little.

There is no doubt whatsoever: the wage policy will be the big problem for the new cabinet also. And it will be even worse than for us. It is related to a decreased economic growth while, if nothing is done, wage development will amount to about 10 percent in the coming years. Just figure out what that will bring about for the cutbacks in the collective sector! Thus a subsequent cabinet will also have to choose between wage curbing and further cutbacks. It will also have to face the choice: either wage curbing in order to retain the possibility of coupling benefits and wages, or cutting through that coupling in the hope that something will remain for wage development. In Lubbers' words: "There will be tough times ahead."

Parties

[Question] Those times have been that way for a long time. But everyone is running behind the facts.

[Answer] Not everyone, for there are people who have warned about that. Only, not the political parties.

[Question] They are fooling their voters?

[Answer] I expect that every political party will say what should be done. And then I don't expect a competition between wage improvement and social security.

[Question] How do we get the money for the re-industrialization you mentioned?

[Answer] That money simply has to come. If we don't manage to reserve that, we will be killing the famous chicken already before it has laid the golden eggs. We could use the money from the extra natural gas profits for that. And then not use that for an improvement in the purchasing power or a decrease in the financing deficit. That does mean of course that we will continue to be faced with great problems on the subject of the financing deficit.

[Question] The shortage of 7 percent then threatens to become structural.

[Answer] That is correct. But these are questions for the minister of finance.

[Question] The shortage is also very closely related to work opportunity.

[Answer] I think that a too rapid decrease of the financing deficit would lead to results which endanger the entire wage- and income policy. The tempo must be adjusted to the social possibilities. Otherwise you can decrease the financing deficit only by disconnecting benefits from wages. In my opinion such disconnecting, however, will greatly undermine the willingness for wage curbing in Dutch relations. That is a risky operation. The Dutch society sets a limit to what can be realized. Of course, that is partly because in the recent past we have not been able to impress upon the people sufficiently the fact that considerable curbing was essential. Anyway, we now see that the train is starting to slow down.

Change

[Question] Do you note a change in mentality?

[Answer] If we had taken a partial wage measure 2 years ago, do you think the union movement would have reacted the way it is doing now? No, they no longer react by way of wage demands, but by discussions on work opportunity. Certainly that is already a change: slowly, but surely.

A union movement which now wants to break through the partial wage measure by agitation will not manage to get sufficient support. From both the public and the members. Therefore Kok's reactions were so out of proportion, I thought.

I think that Kok had never thought of a partial wage measure, which I already find surprising in itself. Especially since I have explained it on TV on occasion. But no one wanted to listen to that. Including the chairman of the FNV. I have the impression that ultimately I have still managed to reach everyone except Mr W. Kok.

[Question] Whether you have reached everyone is a good question. Less than half of the CAO's have been concluded. The rest possibly will have to wait until next year. The possibility that at that time you might have to announce a general wage measure retroactive to 1 January would cause you terrible problems.

[Answer] It is not easy, but it is worth trying. We are in a different situation from that at the beginning of this year. The CAO's already concluded all meet the current wage measure. Only with the CAO's which still have to be concluded might there be ridiculous problems. Therefore I want an instrument to be able to intervene by sector. Certainly that is not so strange. Certainly not if all the ramifications of a general wage measure are taken into consideration.

[Question] Might the VVD cause you to stumble on this point?

[Answer] That is put rather strongly.

[Question] The collective sector continues to increase all the time. Hasn't too little been continually cut back?

[Answer] Just have a look at Specifications '81. That started out from a cut-back of 10 billion guilders in 4 years. But all in all we are now dealing with a cutback of almost 16 billion. And that is actually just a beginning.

Tremendous Things

[Question] Then there is not much choice but to cut more deeply into the indexing and coupling mechanisms.

[Answer] There is little cause for optimism, unless the growth improves all of a sudden. If the zero growth continues to exist in the coming years, then tremendous things have to be done in the Dutch state household.

[Question] And then Former Minister of Finance Andriessen will yet prove to be right. While you were an opponent of his view.

[Answer] Oh no, Andriessen won't prove to be right. Andriessen's problem was that his tempo for the cutbacks was too rapid. That tempo would not have been chosen by the chamber. Which would only have meant that now there would no longer be a Van Agt Cabinet. I believe that I have been much more thrifty for the Netherlands through my greater cautiousness.

8700

CS0: 3105

VAN DER KLAUW ON PRESIDENCY OF COUNCIL OF MINISTERS

Rotterdam NRC HANDELSBLAD in Dutch 23 Dec 80 p 7

[Report on interview of Minister of Foreign Affairs Van der Klaauw by An Solomonson and Sytze van der Zee: "Minister Van der Klaauw on Dutch Presidency of EC: 'Europe Must Remain Strong To Be Able to Play Own Political Role'"; date of interview not given]

[Text] A new European Commission, the entry of Greece into the EC, a new American president, elections in the Netherlands and in France, growing economic problems. It is a never ceasing stream of events and new developments which will bear down upon the Netherlands when it fulfills the presidency of the European Community during the first half of 1981. Moreover, they are events which each in itself could almost be the high point of a presidency, but which, in this compact form, are almost a little too much of a good thing.

Minister of Foreign Affairs Chris Van der Klaauw, cheerful in spite of everything: "Of course this is a difficult period, but you can also see it as a challenge. When one is in a period of economic prosperity, without big political problems, everything is so much easier. But I can't do anything about the fact that at the same time elections happen to be taking place in the Netherlands and France, which undoubtedly will be a complication. Just think of the role the entire set of agricultural problems will play in the French elections!"

Little Formalism

"Therefore we must find a way of having regular contact with the new commission. It is of course independent and can come with proposals independently from what the Council of Ministers says. But it would indeed be good for the commission to know what feelings exist and what is attainable. A positive element is that the president of the new commission, Gaston Thorn, and I have known each other for many years already. Thus we will not be great formalists in our relationship."

Our discussion is taking place in the Dutch delegation room on the 14th floor of the Brussels Charles the Great building, Charlemagne in European popular speech. Officials are hurrying from one meeting to another through the corridors of the building. On the top floor, namely, the ministers of foreign affairs are meeting, as well as those of agriculture, but the decisive work is being done at long tables in the delegation rooms. There all elements are thoroughly weighed once again by experts so that the minister can start the trip back to his capital with a clear

conscience. At the elevators below journalists are crowding together, hoping to pick up something of what was discussed. Later in the day the necessary press conferences and briefings will be held.

[Question] In your note for the Dutch EC presidency you indicated two main points, the restructuring of the European budget and the agricultural problems. Can you say how you will go about these?

Van der Klaauw: Thorn and I have agreed that the commission will start working on this right away. Both matters happen to be closely related, although there will undoubtedly be a procedural problem. Some people will want to start discussions right away while others say that this is not possible. I hope we will find a method by which we can discuss the matter in a not too formal manner. Then we can still continue to have discussions with the commission, so that the main points will be perused.

The plan is that the European Commission will deliver a report to the European Council of Ministers in June next year. Then we must be in a position to be able to tackle the matter. For, although it is a tremendously complicated set of problems, our goal must be to agree on the principles in June. But if certain commission proposals should turn out to be unacceptable and some standpoints diametrically opposed, then we will really be in a fix.

[Question] You say in your note that the dominating concern of the Dutch presidency lies in "the approach to the problem of the impending exhaustion of the Community's own means and that of the anticipated restructuring of the budget." Isn't that a little shortsighted, considering the increasing unemployment, the energy problems, and the growing protectionism?

Jumbo Council

Van der Klaauw: These are undoubtedly important matters, but first of all we must put our own house in order. Otherwise we will be close to the 1 percent limit for private means and then the matter will fall apart. To deal with unemployment, we have proposed the so-called jumbo council, with the ministers of economic affairs, finance and social affairs. It is essential that that council be well prepared, for otherwise the problems will be even worse. If therefore the council cannot take place under the Dutch presidency, it will have to be under the British one. Yes, and then there is the energy problem. We have never been able to solve that in the EC context, and I don't think that will happen during our presidency either.

[Question] But isn't it a fact that in the EC one is merely putting things in order and that actually nothing further is happening?

Van der Klaauw: We are in a difficult economic period and it is already considerable if the Community can be kept intact. That is not new or tremendous, but it is indeed extremely important for the world economy.

[Question] How do you see the position of the Netherlands as the presiding country? We know from experience that the small member states often can not do much more than administer. New initiatives are not attainable.

Van der Klaauw: One shouldn't overestimate the role of the presidency. The most important things are that there is proper organization, that meetings are well prepared, and that one finds out where compromise is possible. I want to do specifically that. I believe that, with all my bad qualities, I am a fairly good manager.

Summit Conference

[Question] The Dutch presidency now will also find itself at the edge of a series of summit conferences: the small summit of the new American President Reagan with Chancellor Schmidt, British Prime Minister Margaret Thatcher, French President Giscard d'Estaing, and further the North-South summit in Mexico and the economic summit conference in Ottawa. What position will the Netherlands take there?

Van der Klaauw: According to our information the small summit has been shelved. We no longer have to worry about that. My colleague [Minister of Development Aid] De Koning and I have been extensively occupied with the North-South summit, for it is a ridiculous situation that a country such as the Netherlands should not be included. I know that our participation has been advocated by some. The problem is the number of countries, which one doesn't want to expand further. But if that should happen -- and there are discussions on that -- then I shall assume that the Netherlands has a very good chance of still being included.

As to the summit in Ottawa, I have urged that the last meeting of the European Council preceding this summit be held in June instead of July, because the position of the EC is prepared there. This will be done in the coming months by officials of the participating countries, the commission and the presidency. These are the so-called sherpas.

The Dutch sherpa is Posthumus Meyjes, my general director of European cooperation. Apart from the discussions in the council he will participate in the preliminary consultation. We have indeed always urged that that Ottawa summit be prepared properly. In my opinion that is one of the most important tasks we have.

Travel

[Question] But why is this summit again being held just after the Dutch presidency, so that the big industrial countries are together once again?

Van der Klaauw: That was not our decision, but that of the seven participating countries. Of course one could attach all sorts of sinister thoughts to that, but it happens to be a situation on which I have no influence. In view of the situation, I find it indeed important that the summit be prepared during the Dutch presidency.

[Question] When do you want to start your tour through the Middle East? Will this happen before your visit to Washington?

Van der Klaauw: The plan is that I go to Washington around the end of February or the beginning of March. Within the Community we have agreed that I shall make my trip in consultation with the other ministers. We still have to work out the

precise questions and decide where they will be asked. We are preparing those now in The Hague, after which the entire matter will go before the political committee in the middle of January.

[Question] Thus that means that you are going to Kuwait and Qatar at the beginning of January without prior deliberation.

Van der Klaauw: That is completely a bilateral matter.

[Question] But earlier you said that you are starting your series of contacts with this trip!

Van der Klaauw: In the first place it is a bilateral visit, but of course there will also be discussions in a general sense on Middle Eastern politics. I shall limit myself to listening, for I cannot yet ask the questions agreed upon. Later on I will have to go to Kuwait once again, but then it will be a visit of at most 1/2 day, without an audience with the emir.

[Question] Who will become your traveling ambassador? Wellenstein, the former general director of the European Commission has been mentioned.

Van der Klaauw: I can't say.

[Question] Will you also visit the headquarters of the PLO in Beirut?

Van der Klaauw: I suspect that when that is necessary -- and that is probably the case -- we shall also establish contact with the PLO. Where that will take place still has to be worked out. I think I shall make most of the visits myself. I see the traveling ambassador primarily as a strengthening of the department, especially for this mission, and in the second place he can hold the preliminary discussions.

[Question] Who will receive PLO Leader Arafat or his representative for foreign contacts when the Euro-Arab dialogue is held in the Netherlands?

Van der Klaauw: It still has not been decided that that dialogue will take place during the Dutch presidency. Moreover, it is still not certain in which location it will be. That is completely open.

Greece, Spain

[Question] On 1 January of next year Greece will become a member of the European Community. Do you expect any problems during the course of 1981?

Van der Klaauw: I find that difficult to predict. We had a discussion with Greece on participation in the regional fund of the EC. Of course they asked if they could get more, but we avoided that in a very normal manner. So far the problems with Greece have not been bad at all.

[Question] It has been said that the Greeks have swallowed everything during the negotiations in order to be able to present the bill later.

Van der Klaauw: So far we have had very little to do with Greece, only with the minister of foreign affairs and he is cooperatively inclined. There will no doubt be some problems of acclimatization, and some hitches here and there, but they will certainly not deteriorate into re-negotiation.

[Question] How will the entry negotiations with Portugal and Spain develop?

Van der Klaauw: As long as we have not solved our own agricultural problems, we will certainly not get any further with Spain. I believe that the negotiations will be continued under the Dutch presidency, through which the other dossiers will be completed. The agriculture dossier will then have to wait until the end. The matter may not be put off, however, for that would also have a bad influence on the internal political situation in Spain.

[Question] The question of where the seat of the European Parliament must be definitely established is a very delicate matter. The parliament itself requires that a solution for that be found in the first half of 1981. Do you have something in mind already?

Van der Klaauw (smiling sourly): Here you are talking about squaring the circle. It is a question which concerns not only France, Belgium and Luxembourg, but the entire Community. I think that this is a typical question for an informal weekend.

[Question] You say in the note that the relationship between the council and the European Parliament needs thorough improvement. Do you think that the European Parliament is still not functioning too well, in spite of the elections?

Van der Klaauw: I believe that there is a great degree of frustration in the parliament. They have to work with compromise formulas. That is firmly embedded, so that discussion is difficult. I shall go to the parliament regularly, but the openness practiced there is that of the Dutch minister of foreign affairs and not that of the president of the council. That is not so interesting for the parliament, of course.

[Question] Is it interesting in your view, however, if Prime Minister Van Agt were to go to the European Parliament after the summit in Maastricht?

Three Wise Men

Van der Klaauw: There is still great opposition to that idea. The question is whether it is wise to do that. You could imagine that he would go simply as prime minister of the Netherlands in order to put in an appearance and say something about his view on Europe. We have expressly held this question open.

[Question] What pieces of advice from the report of the so-called three wise men do you want to follow?

Van der Klaauw: Apart from the point we just discussed, the discussion on the report now has been concluded. What was accepted is minimal. At first it had a little more effect than the Tindemans report. Under our presidency I hope to do a little more about certain conclusions, such as the position of the general

council between the European council and the trade councils and the coordinating task of the general council.

[Question] The report of the three wise men concentrated primarily on the European Commission and on how the commission could function more smoothly after the entry of Greece and possibly Spain. Nothing has resulted from these proposals.

Van der Klaauw: No, but I have the impression that the number of commissioners clearly was still an open point at the last meeting of the European Council. The Germans indicated that the number of commissioners would have to decrease. Thus that means one commissioner per country. I think that this point will come up again at the entry of Spain and Portugal.

[Question] Then don't you think that the big countries want to have a compensation in the form of an assistant commissioner, for example?

Van der Klaauw: I don't know. I think it will be one commissioner per country.

[Question] Then won't the big countries lay claim to a heavy portfolio?

Van der Klaauw: The weight of the portfolio changes. They can get a different content and they can be adapted to the situation. It has been proposed in the European council to charge a special commissioner with innovation. I don't know if that will happen. But it is a subject which is getting attention.

Third World

[Question] In the note two councils on development cooperation are announced for the first half of next year. Previous councils have not yielded anything. Why this zeal?

Van der Klaauw: That is a typical Dutch emphasis on the presidency. We are precisely trying to get something out of it.

[Question] What emphasis? Pronk sought a harmonizing of the development philosophies of the various countries. Ultimately that never got off the ground.

Van der Klaauw: We have the New Round of Global Negotiations. That is an important matter. Jan de Koning is a man with pragmatic inclinations. He will look for the possibilities: food aid, aid to non-associated countries. Precisely the neglecting of this aspect in the past years is the reason that now there will be two councils.

[Question] What possibilities are there for the Netherlands with regard to Japan, for example on the point of trade problems?

Van der Klaauw: Japan certainly is one of the priorities for us. The commissioner of foreign relations, Haferkamp, is going to Japan again in February. The commission is holding a dialogue with Japan, of which the council is being kept informed. The decisive phase will start in February. Then the commission has to

report on the situation. Then the further procedure, perhaps even negotiations, can be agreed upon. There are two points which I also have mentioned to Minister [of Foreign Affairs] Ito. One is: if you see protectionist tendencies in the EC, they are encouraged by the tremendous differences in the balance of trade with Japan. The Japanese will have to impose self-limitation. The second point, and then I am entering the domain of the European political cooperation, is that Japan is looking for affiliation with EC standpoints. I think it very possible that I will remain in contact with my colleague in this context. The word cooperation would be misplaced, but it is a matter of information on general policy lines. We have an agreement with the Japanese ambassador in The Hague. We will keep him regularly informed on European political subjects. When hostages are freed or when sanctions against certain countries are decided on again.

[Question] With respect to relations with the Eastern block: will there be further negotiations with the Eastern European organization CEMA? Is it just a matter of the United States being concerned about the growing dependence on energy from the Soviet Union?

Political Role for Europe

Van der Klaauw: The entire presidency must be seen against the background of the international situation. In the discussions with CEMA there is no progress whatsoever. For the rest, the Americans have not said anything to me about possible concern with respect to the growing dependence on energy. The Dutch share has been carefully weighed. Germany has also done that.

Time is up. The minister has to go to a working lunch with his colleagues, where informal talks on the new European commission will continue.

[Question] A last question. In what direction do you see the Community develop itself in these uncertain times?

Van der Klaauw: The Community is in an extremely difficult position, internally because of the problems around financing, internationally because of the recession which makes a solution even more difficult. The Ten -- the nine plus Greece -- on the other hand more and more play a role on the world stage, especially a political role. We can do that only if we remain strong internally. The political cooperation is working well and continues to be better, but that is still not a basis for internal cohesion. Therefore it is so important that our own house be in order. That is of worldwide significance. The Third World is orienting itself more and more toward Europe in order to keep itself outside of the power struggle of the super powers. Something similar is also seen now in the relations with Japan.

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ARMED FORCES CHIEF HAMRE VIEWS 1980 WORLD SECURITY

Oslo ARBEIDERBLADET in Norwegian 27 Dec 80 p 7

[Interview with Defense Director Gen Sverre Hamre by Pal Nordenborg:
"Busy This Year, General?"; date and place not given]

[Text] [Nordenborg] Have you been busy this year, General?

[Hamre] Yes, it has been a year of great activities, both in domestic and foreign political matters.

[Nordenborg] It is Norway's defense director, Gen Sverre Hamre, who answers.

He sums up the year 1980 thus: It began with the NATO resolution on 13 December 1979. One part of the resolution dealt with production and placement of long-range tactical nuclear weapons. The other part dealt with holding contacts with the Soviet Union aimed at limiting the nuclear arms race.

Hamre reminds that both parts of the resolution are of equal value--something that Norway emphasized strongly and that was a general consensus of the alliance. The aim was to obtain, if possible, relaxation of the tension and to attempt to force the Soviet Union to pull back out of Afghanistan, says Hamre. As a part of this was the debate on the participation in the summer Olympics in Moscow, when many of the countries did not find it appropriate to participate.

Afghanistan and the Olympic Games debate were followed by a long, drawn-out debate on prepositioning. By the end of the year the events in Poland took place.

Has the defense director found it necessary to discuss any special preparedness measures on the Norwegian side in connection with the situation in Poland?

[Hamre] I have discussed the situation with the prime minister, the foreign minister and the defense minister. I do not think the time is right to take preparedness measures in light of current situations. But if the situation changes, the picture may change.

I emphasize that we are faced with a situation in which the political side must guide the military side. I want to go even further in increasing the military preparedness than the political leadership seems to find necessary in critical situations.

[Nordenborg] Does that mean that during the development of events in Poland the defense director recommended defensive measures to the administration?

[Hamre] No. At no time did I think it was necessary to take any special preparedness measures.

[Nordenborg] It caused a certain amount of anxiety in Sweden when there was talk about drafting people for maritime duty?

[Hamre] That shows to some extent how Norwegian preparedness and Swedish preparedness on land, at sea and in the air, which gives us reasonable possibilities for action if something should happen. We have a higher threshold of preparedness than the Swedes. They would have to take measures that are visible and clearly extraordinary before they come anywhere close to the preparedness we have.

[Nordenborg] General Hamre says that no special measures were taken by Norway when the Russians invaded Czechoslovakia in 1968. There was no basis for that at the time, as it turned out that the Czechs soldiers remained in their barracks. During the 1956 Hungarian crisis, however, which for a time coincided with the Suez crisis, a number of acquisition measures were taken. A number of extra appropriations were passed in the Storting in this connection, says Hamre.

What is your opinion of the Olympic Games boycott?

[Hamre] I want to say that if there had been a rallying around Norwegian viewpoint, our position would have been considerably stronger today with regard to influencing the Soviet Union to refrain from a possible intervention in Poland.

Amphibious Forces Put Their Efforts in More Areas

[Nordenborg] The pact between the United States and Norway on prepositioning equipment for the American Marine amphibious brigade will soon come up for reading in the Storting. But what is the intended use for this unit for which the equipment is to be stored?

[Hamre] It is quite clear that Norway will not be the only place where the American amphibious force concentrate its efforts. But it will be tied closer to our area in exercises, way of thinking and preparedness. It is possible that this force, in the same way as the Canadian brigade, can have Norway as a designated forward area in case of eventual crisis or war situation.

What is definite is that the need for defense of northern Norway increases at the same rate as the expansion of the Russian fleet. The greater the threat in connection with this expansion of strength on the Russian side, the more important it becomes for all the European nations and North America that northern Norway and Iceland remain under allied control.

The defense measures that are taken in connection with allied efforts in northern Norway are all based on the expansion that is taking place on Kola and on the Russian expansion of their northern fleet.

Low Russian Profile

[Nordenborg] The defense director himself has given the impression that the Soviet Union follows a moderate line in its northern areas?

[Hamre] I have given that impression. The expansion of the Russian fleet has a global perspective and it cannot be said that it is directed toward Norway. What we must watch especially are the extensions of the elements that may be a threat to our forces and our area. This applies especially to the Russian amphibious forces and military forces. With respect to strength, these forces have not increased in recent years, and on that basis we can say that the Russians have kept a low and satisfactory profile from our viewpoint.

What they seem to be doing now is to modernize their military forces and increase the amphibious capacity.

The other things we don't like are, of course, the tactical atomic weapons that are on Kola and that have a range that makes them seem to be directed precisely to targets in Norway. These weapons are also to be found in army units.

Depends on the Labor Party

[Nordenborg] Does the defense director depend on the Labor Party?

[Hamre] Yes. In practice, the Labor Party has shown since the end of World War II that it takes the security policy seriously.

[Nordenborg] Do we have a stronger or a weaker defense today than, for example, 20 years ago?

[Hamre] Definitely a stronger defense than at that time. Relatively seen, in relation to the Soviet Union, however, our own strength can be questioned.

Our absolute military force is larger today than earlier. But when we judge the Norwegian defense force, we must always look at it as a part of the alliance of which we are members.

It is the defense of the alliance that gives our defense its proper strength, and it is the alliance that gives meaning to everything we do. It is also obvious that when we are tied to the alliance in this way, we must also arrange the conditions so that the alliance can come to our aid whenever we may need it.

It is especially satisfying for me that the administration is now putting forward a proposal on the prepositioning that has been discussed in the community during the last 6 months.

The extent of the prepositioning can be discussed and the location of the stockpile, but for me the main point is that it takes place.

It is also necessary, in my opinion, that forces that might come to our aid are given the opportunity to get acquainted with Norwegian conditions, Norwegian terrain and Norwegian climate. We must, therefore, to a sufficient extent, open the way for allied exercises, training and cooperation.

Norway More Integrated into NATO

[Nordenborg] What does the defense director think about Norway's future in NATO?

[Hamre] The way I see it, Norwegian defense should--and will--become still more integrated into the allied defense efforts than we have seen up to now.

Thirty years ago we said that the membership should be limited to a certain period, perhaps 20 years. Ten years ago just about the whole population had given its support to membership in NATO. Now there is, in fact, no talk about NATO or no NATO. The opponents of the prepositioning are also in favor of membership in NATO. There is general unity over the fact that there is no alternative to membership in the alliance as the world is today.

A Short Distance Between Political and Military Leaders

[Nordenborg] Do you sleep well at night?

[Hamre] In general, yes. But it is clear that during times of events such as those in Afghanistan and in Poland, there are a great many things that must be considered and many hypothetical situations one must go through. Otherwise, I want to say that it is satisfying to be a defense director in this country.

And the road to the political leadership to discuss political security problems is fortunately short in our country, shorter than for most of my colleagues in other countries, I think.

[Nordenborg] What is the best thing the director of Norway's defense has experienced this year?

[Hamre] One of the best things that happened to me was to be present at the conference of representatives on Vatnleiren outside Stavanger this fall and hear the factual and sensible discussions that elected representatives conducted. That resulted in a series of constructive, good proposals.

The other good thing for me was the good recruiting and the great number of qualified applicants for basic officers schools this fall. And the third good event was, in fact, the administration's proposal about the prepositioning.

[Nordenborg] Any special New Year's wishes?

[Hamre] That the events in Poland will unfold without drama.

INDUSTRY ASSOCIATION PREDICTS 1981 ECONOMY TO BE AT 1977 LEVEL

Oslo AFTENPOSTEN in Norwegian 25 Dec 80 p 8

[Article by Thomas Knutsen: "Norwegian Economy in '81 Back To '77 Level"]

[Text] "There are many indications that our ability to grow has been broken" said Egil Bakke yesterday when he presented the economic prognoses for 1981 of the Norwegian Association of Industries. The Association's economists expect industrial production to drop by 2 percent in 1981, and that the ability of Norwegian industry to compete with other countries will be weakened to an even greater degree than this year [1980]. "Toward the end of next year [1981] we shall be where we were in 1977, before the government devalued the krone and introduced wage and price control," said Branch Director Bakke.

The Industrial Association's prescription to counter this development is first and foremost a tougher finance policy. Over the long term the Industrial Association's economic section fears that an irrational use of oil income will lead to Norway in the 1980's having a lower total production than the country would have had, even without the oil, if a policy had been engaged in to produce an annual growth rate of 3 percent.

It is therefore Egil Bakke's opinion that the most important thing in finance policy is that of making oil income an addition to what is already available.

"Oil income will never be so high that we shall not need a large remaining economy, and this economy must be profitable," said Bakke yesterday at a press conference.

The Industrial Association still sticks to its earlier standpoint to the effect that oil income should be used abroad, and that Norway should become an exporter of capital. If oil income is to be used within the country, the Association prefers its use as tax relief for individual and enterprises rather than, as now, for financing public consumption.

"It seems clear that the way in which we have used the oil income thus far, for financing increased public expenditures, have had great harmful effects," writes Bakke in the prognosis. In his opinion, tax relief would have produced a more harmonious readjustment.

"The readjustment must take place in such a way that the enterprises that are to remain come out of the process better than they were when they entered it. What is

happening now is that not only do we knock out some enterprises but weaken all of them," said Bakke in his criticism of the policies carried out. In his opinion, a technique must be sought to overcome this, and this is where the Industrial Association recommends tax relief. "However, I shall not recommend tax relief if the money has already been spent," Bakke added. "Tax relief presupposes that a financial policy and removing deficits in public budgets. Bakke and his economists favor a de-escalation of transfers in the state budget concurrently with tax relief.

"The transfers are so large that their effects are very difficult to determine," said Bakke.

The Industrial Association also advocates consumers being made to pay the costs of public services to a greater extent than has been the case.

"The fact that these services are now priced at zero produces the illusion among people that they are free," Bakke pointed out. Bakke was intent upon selling this idea, but would not go into detail about what public services should have prices attached to them and what prices.

However, the Industrial Association's economic section director, who admits that he "loves the ballet," gave a little hint. He attends the opera as his daughter's guest and as a student she buys the tickets at a discount. "Perhaps I would pay more," Bakke admitted.

Prognoses for 1981

The Industrial Association's prognoses for economic developments in 1981 do not differ significantly from those presented earlier by the authorities in the national budget. The main points in the Industrial Association's prognosis:

The gross national product will show zero growth. The gross national product for mainland Norway, the economy without oil and shipping, will show a weak growth, .75 percent.

The consumer price index will rise 13-14 percent next year, compared to the average for 1980 [sic].

The goods and service balance with other countries will show a surplus of about 10.5 billion kroner, while the operations balance, after interest and subsidies, will show a deficit of 4.5 billion kroner.

Private consumption will rise by 1 percent, while public consumption will rise by 4 percent.

Exports will decrease by 1 percent, of which traditional commodity exports 2 percent, and oil exports by 5 percent. These estimates do not take into account recent oil price increases, to which, however, Industrial Association economists do not assign too much importance.

Traditional commodity imports will increase by 1 percent.

MINISTER SURPRISED AT HIGH YOUTH UNEMPLOYMENT RATE

Oslo ARBEIDERBLADET in Norwegian 12 Dec 80 p 7

[Article: "Surprising Unemployment Figures"]

[Text] The increase in unemployment among youth in the 20-24 age group is far higher than had heretofore been supposed. This was made known at a seminar yesterday arranged by the Labor Party Youth Organization (AUF) in cooperation with two LO[National Federation of Labor] unions.

"The figures are very surprising" said Minister of Municipal Affairs Harriet Andreassen to ARBEIDERBLADET. Labor Director Reidar Danielsen explained this development as caused primarily by measures in the labor market having been concentrated on those under 20 years of age.

The conference, arranged by the AUF in cooperation with the union of office clerks and store employees and the federation of Norwegian chemical industry workers, dealt with the special employment problems of youth. AUF Chairman Thorbjørn Ragland presented the surprising figures for unemployment among youth in the 20-24 age group.

The figure show that while 16- to 19-year-olds constitute a constant share of total unemployment, the 20-24 group is increasing steadily. In 1977, registered unemployment in the 20-24 group was 2,200, or 14.2 percent of all unemployment. In 1980 this group accounted for 17.7 percent of the unemployed, and the figures show a tendency to increase at a steady pace. The under-20 age group remains at a steady 11-12 percent of the total group of unemployed.

Municipal Affairs Minister Harriet Andreassen, who attended the conference, found this development surprising. "The problem is new to the Municipal Affairs Ministry. We must now study these percentages in detail to discover what absolute figures lie behind them. I will say that even though there is a percentage increase in the 20-24 age group, absolute figures show that there was a reduction in unemployment in this group from 1979 to 1980," said Harriet Andreassen.

The figures also have a positive side, however. That is that the extraordinary steps the government has taken for youth have worked as intended. Or at least insured that unemployment in this group has not increased.

Labor Director Reidar Danielsen explains the increased unemployment in the 20-24 age group as having been caused by all steps taken being concentrated upon the under-20 group. "Everything has been directed at meeting the needs of the youngest. If unemployment increases it will primarily hit the weakest in the labor market, namely the youngest.

"Now, however, it is shown that the 20 to 24-year-olds are hit. If this tendency continues, something must be done. This is obvious, but it is also a question of capacity. For the time being it seems that we have enough to do with those under 20. An enormous apparatus is needed to implement the extraordinary measures now directed at this group," said Labor Director Reidar Danielsen.

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SOCIALIST MAYORS ATTACK U.S. MILITARY PRESENCE IN SPAIN

Renegotiate Treaty

Madrid EL PAIS in Spanish 14 Dec 80 p 19

[Article by Rosa Maria Artal: "Mayors of Zaragoza, Torrejon, Rota Want Bomb Shelters"]

[Text] Zaragoza--The unanimous opinion of the mayors of Rota, Torrejon and Zaragoza is that the first international treaty signed under the democracy should be the antithesis of the ones signed under Franco. They met in Zaragoza for a public debate on the effect of the U.S. military presence on their towns. The change that these mayors propose is radical in general as well as in specific considerations concerning the cities that endure these bases in their territory. In their opinion, the three towns must be heard and must receive compensation, not as a kindness but in strict justice.

The existing treaty between the United States and Spain must be renewed at the beginning of next year; it was the object of profound analysis. It was categorized as an agreement under a colonizing legal system, detailing "the capitulations in it." This was true: in the civil aspect; in the penal aspect with important privileges for the Americans; in the labor aspect, making the Spanish workers on the bases defenseless, without labor rights under Spanish legislation; and in the fiscal aspect with very unfair tax exemptions.

The mayors, all in the PSOE [Spanish Socialist Workers Party], thought the new treaty should not include secret clauses like the current one does and should include civil defense for the people and antinuclear bomb shelters for all Spaniards involved. In this sense, the representatives of Torrejon and Zaragoza cited examples and even brought in eyewitnesses to tell how, in tense situations--Vietnam War, Bay of Pigs invasion, etc.--the American families had been taken away from the bases but the Spanish cities were not informed of the danger.

The bases' influence on Zaragoza, Torrejon and Rota was reportedly completely negative; the U.S. and Spanish Governments were blamed for this. Future risks facing concrete international situations as well as the daily risks were mentioned. "The children in Torrejon have a fear syndrome because of the noise of the airplanes that must inevitably fly over the town," said Mayor Lopez Chillon. Fernando Tejedor said: "Rota lost everything."

Sainz de Varanda said that the entire populated area around the Las Bardenas firing range is in danger because of the frequent airplane crashes. He also mentioned the tanker aircraft in Zaragoza which were "taken out of Torrejon and Moron because of the risk they presented for Madrid and Seville." He concluded: "The Americans have passed through Spain like water washes over land, without leaving any cultural or technological results and without even any real community involvement."

The debate, held in spite of a bomb threat, was also attended by communist deputy Antonio Palomares who showed his party's solidarity with the mayors of the three cities. He connected the treaty and the bases with the Spanish intention to join NATO. Representatives of the UCD [Democratic Center Union] and the Spanish Ministry of Foreign Affairs, Luis Solana from the PSOE, the American ambassador and the American consul in Barcelona had also been invited but did not attend.

At the same time, there was a Christmas celebration at the Zaragoza base which, as had been announced, was not attended by any representative of the municipal government, the president of the Aragon General Deputation or the president of the Zaragoza Provincial Deputation.

Unwelcome Guests

Madrid DIARIO 16 in Spanish 15 Dec 80 p 7

[Article by Fernando Reinlein: "Tension Increases Between Socialist Mayors, U.S."]

[Text] Zaragoza--The complaints by the socialist mayors of Zaragoza, Rota and Torrejon about the American presence in those cities are increasing as the date on which the Spanish-American Treaty of Friendship and Cooperation will be signed approaches.

In the latest statements by Ramon Sainz de Varanda, mayor of Zaragoza, he called the Americans in Zaragoza unwelcome guests. He also did not attend the reception given for the colonel in charge of U.S. tactical fighter wing 408 based in Zaragoza.

This reception to celebrate Christmas was attended by Antonio EliceGUI Prieto, captain general of the 5th Region, Lieutenant General Baranano, chief of the Air Region, the president of the Audiencia and other civilian and military officials.

Ramon Sainz de Varanda refused to attend because aid for planned cultural initiatives included in the treaty has not been given or has been administered with eyedroppers. He stated that relations with the municipal government are neither good nor bad; they simply do not exist.

Nevertheless, DIARIO 16 had access to two documents--one from the mayor's office and one from the Joint Spanish-American Committee--in which this aid is mentioned.

The municipal document with Registration No 030402 dated 27 November 1980 and signed by the mayor informed the chairman of the Joint Spanish-American Committee that the Municipal Government Standing Committee accepted the aid of \$54,000, some 4 million pesetas.

The standing committee approved this aid in a session held on 11 November. It was the aid agreed on for a municipal film library.

The document from the Spanish-American committee signed by Serban Vallimarescu for the United States and Amaro Gonzalez de Mesa for Spain acknowledged receipt of the above and indicated the procedure for release of the funds through the executive secretariat.

No NATO

The three socialist mayors attended a roundtable on the bases yesterday. They explained that they did not agree with the present treaty and said that it should not be renewed.

They presented their position against the bases. If the treaty is renegotiated, they said it had to be done by listening to the mayors of the cities involved.

The roundtable held in Zaragoza was moderated by journalist Ricardo Vazquez Prada and attended by communist deputy Antonio Palomares. The participants were against Spain's entrance into NATO.

The ad hoc committee of the Spanish-American Council for coordination with NATO met in Madrid Saturday after the Atlantic Council was held in Brussels.

The topics included reports on NATO decisions concerning tension in eastern Europe, the Middle East and arms limitation negotiations.

7717

CSO: 3110

PAPER SEES CHANCE FOR LIBERAL-SDP COALITION

Stockholm DAGENS NYHETER in Swedish 18 Dec 80 p 2

[Editorial by Tore Sinqvist: "Out Of All Crises?"]

[Text] Yesterday, when he made a big speech about the way out of Sweden's economic crisis, Liberal Party leader Ola Ullsten called for a policy of faith in the future. The speech was made at a gathering of the forces of the Liberal Party. The Riksdag group, the party leadership, and the chairmen of the provincial party groups had been called together to listen to this injection of faith in the future.

The speech dealt not only with Sweden's way out of the crisis; the Liberal Party leader wished also to restore to both the government and his own party an optimism of which there had been great lack in recent months.

Sweden, the government, the Liberal Party -- to all of them too much talk of crises and shortcomings threaten to become self-fulfilling prophesies. Of the three quantities, Sweden is without doubt the one worst off. Odds for the Liberal Party are not good, to be sure, but nevertheless better than those for the triple-disunity the government is.

Sweden has been gripped by gloom -- but in reality our country has vast resources with which to manage the economic crisis, thought Ola Ullsten. He admitted that the government had put too much stress upon the problems and not provided adequate guidelines for the future. This he tied in with a basic criticism by the Social Democrats last fall: If Sweden is to work itself out of the crisis, offensive efforts must be made.

Ullsten stressed energy, assistance, communications, savings by the citizens, and reduced marginal taxes as means to getting the Swedish economy going again. Even though objections might be made to certain concrete proposals, the areas are well chosen.

The Liberal Party has plainly decided to become more visible in politics. For a long time the party attempted to function as the government's cooperation engineer, while the Moderates made a system out of their profile, and the Center, in particular before the referendum, carried on its own antinuclear energy line.

For a party in the middle it will not do to carry on a profile policy within a government in the same way a party on the periphery can permit itself to do so. But in

taking initiatives in decisions to be made, first in the matter of energy and now concerning the entire range of social development, the party does better. Aggressiveness seems more positive to uncertainty than indicating time after time that the party did not have its own way.

The central theme in Ullsten's speech -- that belief in the future is needed -- should be of importance to others than the Liberal party. The lack of leadership, so harshly criticised by Volvo chief Pehr G Gyllenhammar last week, is obvious. The weariness and dejection among the government's supporters in the Riksdag and elsewhere in country are palpable. In the debate now under way in the press following NORRTELJE TIDNING's appeal to the Center to re-examine its support of the government that is plainly apparent. There are no clear proposals, however, about what is to replace it.

The Social Democratic newspapers prefer new elections, of course, followed by a Social Democratic government. An occasional one, like ARBEITER, mentions a Social Democratic-Liberal government. Others believe a middle-of-the road government could come into being. Several nonsocialist newspaper give up and accept new elections; others, both Liberals and Moderates, still hope that the three-party attempt will hold out until the 1982 election.

But what do the Social Democrats really want? It is not particularly pleasant to be able to take over all the problems after a new election and then carry on as harsh a policy as the one they had earlier so severely criticized -- although with somewhat different ingredients. It is a matter of whether or not there will be new elections next year. But the crisis will probably have become even more difficult to resolve in the fall of 1982, after the regular election.

The party has just set up a group to write an economic program for the 1980's. What this group will have to offer the broad wage earner groups will hardly be a honeymoon.

AFTONBLADET (S), with the newly reindoctrinated party worker Carl Johan Aberg as its political chief, recently carried a sensational leading article about the terms for the crisis policy. The article recommends a settlement between the labor movement and the economy. But what are the labor movement and the economy on the political level other than Social Democrats and Moderates? Is it a great coalition among industrial interests that is the lure?

Luckily, this amounts to nothing but theoretical speculations. In the wage earner organizations those attached to industry are becoming fewer in number, while those in public jobs are a growing number. Opinion in the economy -- as clearly reflected in the SAF [Swedish Association of Employers] -- hardly prepares the way for cooperation, even though big entrepreneurs like Gyllenhammar seem to have a more nuanced view.

It is rather in the broad political middle ground that a settlement must be hit upon. In his speech, Ola Ullsten called for a historical compromise -- but it applied only to taxes. To be sure, a compromise is needed to bring about a more fair tax system less subject to leakage. Here, cooperation by the Moderates would be useful, but not indispensable. But the important historical compromise is that of breaking the block and guiding Sweden out of the crisis. Difficult efforts, made jointly, can restore faith in the future.

STUDY ANALYZES REASONS FOR SUCCESS OF SDP

Stockholm DAGENS NYHETER in Swedish 27 Dec 80 p 2

[Editorial by Tore Sinqvist: "What Does the People Think, and Why?"]

[Text] As a rule, politically active people see themselves and their party as clearly separated from their opponents. One competes for support from less articulate voters, who often see rather vague differences in degree between the parties on a scale which in our country has a persistent tendency to follow the Right-Left dimension.

Most opinion polls reinforce this struggle for the people's sympathy. This is inherent in the technical nature of the polls, where opinions are graded in a dimension given at the start. All seek confirmation of their strengths in such percentage figures as are really more interesting and dependable when they show regional, age, sex, and similar differences than when they seek to determine how many are "really" socialists or nonsocialists.

An important step toward a more comprehensive picture of the complicated political opinion pattern in Sweden is taken in a recently published book by Sociology Professor Gunnar Boalt and SIFO [Swedish Institute for Public Opinion Polls] chief Sten Hultgren: "In the Eyes of the Swedes." They attempt to crystalize out six basic political types -- or as they also call it, the "cluster" of attitudes dominantly anchored in certain groups.

The special feature in Sweden has for a long time been the extraordinarily strong position of the Social Democrats. Boalt/Hultgren also suggest something about the motive power behind it. During the 1960's and 1970's voter opinion shifted slowly in the nonsocialist direction, while at the same time, in topical question after topical question, it was already far more "bourgeois" than what the Riksdag composition made it seem, as shown by several studies. "In the Eyes of the Swedes" also shows that there are more voters for the Social Democrats with basically bourgeois standpoints than vice versa.

The poll questions plainly show what in the voters' eyes is the dominant trump card of the Social Democrats -- the same as during the decades when they took over and defended the key position: their stamp of being a collective movement for those who feel themselves to be in a socially inferior position. Earlier, the concept of the working class was strongly stressed. During the 1970's, an increasing number of voters lost interest in class and profession thinking in choosing standpoint and party.

In government position the Social Democrats could not so strongly represent themselves as "the party of the lower strata" in the social pyramid, among other things in part because at the same time they represented the highest power. Today, they are, consciously or instinctively, returning to the successful model of the 1930's; that one should support one's own social group (or really the elite that represents it) rather than certain standpoints.

A number of social studies have shown that class or occupation plays a greater role in selection of party in Sweden than practically anywhere else (Norway and Finland are close behind,) while in other countries factors such as religion, sex, age, language, etc. more strongly affect attitudes and party choice. In the United States the pair of social opposites are such that the majority find themselves on the "upper side" (white/black/Anglosaxon/ethnic, Protestant/Catholic, middle class, including professional workers, poor, etc.) while the Swedish social structure resembles a pear with the wide end down, and the way of setting up pairs of opposites as a rule emphasizes "the many small and the few big."

All this automatically favors the Social Democrats. Others must not only be equally strong, but markedly superior in purely topical matters to be able to win.

Sweden is an unusually pure meritocracy, in which old traditions of birth, proletarian tradition, and cultural conservatism play rather insignificant roles.

On the other hand, much attention is paid to social and material success, which the majority to a high degree sees as the result of performance, but which nevertheless creates strains. Unfortunately, voting according to class increased again somewhat in 1979. The attitude toward income equalization is, according to Boalt/Hultgren, most strongly correlated with a "socialist" attitude (+ .75, i.e. a very definite connection.) Against this the majority's bourgeois or clearly conservative attitude toward school discipline, school reports, social contributions, marginal taxes, prisoner care, etc. plainly weigh rather lightly. Again, the Social Democrats are chosen by many, despite these concrete standpoints, thanks to their aspect in relation to insoluble human problems.

This polarization is a sad tendency, but it cannot be stopped by a general ideological zero position. At least among certain non-socialist voters there has always been found a strong tendency toward taking standpoints not only according to milieu and position, but according to view of life and personality traits.

One may call it liberalism or something else, but the attitude that the party should embody ideals rather than groups of interests seems more compatible with a high evaluation of freedom, personality development, tolerance, etc -- than with either socialist striving for equality or conservative striving for stability and continuity.

If the people of Sweden now feel strongly that we must all help to get the wagon of progress operable again, then perhaps realization will increase again that all of the same mind in all social groups must work together, not only the most different ones of a certain group.

ULLSTEN URGES NEW PROGRAM OF BUDGET CUTS FOR SPRING

Stockholm DAGENS NYHETER in Swedish 18 Dec 80 p 8

[Article by Sven Svensson: "The Government's Way Out of the Crisis: The Offensive Belt"]

[Text] In the spring of 1981 the government will present a new savings package, aimed at reducing the deficit in the state budget. This was revealed by Liberal Party leader Ola Ullsten when on Wednesday he spoke before the Riksdag group and the party leadership about the way out of the economic crisis. At first, it will be a question of reducing food and housing subsidies. Debiting certain amounts to the municipalities is also on the agenda.

From the beginning, the government had hoped to be able to limit the deficit in the 1981/82 budget to an unchanged 50 billion.

The savings packages presented did not help; the deficit is increasing to 65 and 70 billion, which carries with it a great danger of inflation.

A couple of days ago the members of the government received a proposal for economic guidelines for next year, the so-called finance plan, for examination.

The finance plan has caused strong disagreement in the government, and an increasing number is beginning to doubt that it will last through this election term.

There is agreement that steps must be taken next spring to limit the budget deficit, but not on what steps are appropriate. Demands have also been presented to the effect that the savings must be combined with offensive efforts if Sweden is to get out of the economic crisis.

The Savings Package

The spring savings package will be presented either early in March or in late April. It will differ from the fall savings package in that the ministries will be examined one by one. Not much is to be gained by such an examination.

The Liberal Party argues that general subsidies for the citizens must be reduced. The Liberal Party wishes first to reduce food subsidies and housing subsidies.

Food subsidy totals amount to about 4 billion, and housing subsidies to 10 billion, with interest deduction for the income tax for single family residences left out.

"We must create economic scope for great industrial investments for the future, and private and public consumption must therefore be restrained," said Ola Ullsten in his speech to the party Riksdag group and the party leadership.

Three Ways

"Let us not doubt the strength of Swedish society," said Ullsten, "but we must attack our great economic problems.

He saw three main ways out of the crisis:

The "ostrich policy," meaning putting our heads in the sand and going on as if nothing had happened. The consequences will be increased budget and balance of trade deficits and increased unemployment, and inflation. One thing brings about another and everything gets higher, except the standard of living, said Ullsten.

The "starvation cure," which involves a radical reduction of expenditures -- a quick pull on the belt. Several examples are found abroad of governments that have attempted this road, but none that have tried it with success.

The Liberal Party cannot go along with a policy that would increase cleavages in Swedish society and throw a hundred thousand people into unemployment, breaking the back of the Swedish social economy.

The alternative that would lead the way out of the crisis is a combination of restraint in public and private consumption and an offensive for investment in certain areas, said Ullsten. Ullsten would not declare dead the state of the economy policies of the heavily consuming industrial countries. The Western world is experiencing not only a crisis of economic policy, but a crisis of the political handling of the economic instrument.

In an effort to satisfy the people's many desires for improvement, the politicians have had difficulty in seeing the need of the whole.

The Art

"It is perhaps just this that will be most difficult for us politicians: to resist demands for justified improvements when attention to the hole does not permit new undertakings," said Ullsten.

"Such a policy demands breaking away from the narrow policy of special interests that from time to time has so strongly characterized Swedish political life."

"We shall soon see proof of this," Ullsten continued. "We cannot year after year consume 105 percent of what we produce.

We cannot year after year borrow more from abroad."

The municipalities must put more restrictions upon themselves.

This will affect many important activities. But the rate of increase must be reduced."

The municipal expansion for 1981 will be about 3 percent. This is less than in previous years, but far above what the long-term analysis regards as acceptable -- 1 percent.

"If there is no other way than a stop to municipal debiting [sic] then we must consider such a stop," Ullsten warned. Ullsten then indicated some areas of offensive effort which are to take Sweden out of the crisis.

The Offensive

"Great efforts in the energy field can help us live the crisis," said Ullsten, referring to the need for saving 1 million tons of oil annually.

This requires efforts to get industry going; it is a matter of improvements in housing, using electricity instead of oil for heating, and of large municipal investments in central heating systems using solid fuels, not least in Stockholm and Goteborg. "The people of Sweden have given us a mandate to do this in a referendum. Recently there have been insinuations to the effect that we who supported Line 2 in the referendum [on nuclear energy] were having second thoughts. This is not at all the case." Further, Ullsten wishes to stimulate exports to developing countries by, in addition to that called for in the aid budget, initiating a big program of so-called mixed credits. In such a program Swedish enterprises would enter markets in which we have lagged. At a cost to the state of 300 million kronor annually for the first three years, 10,000 new jobs can be created.

Initiatives

In the communications and housing sector Ullsten wants initiatives. The SJ [Swedish State Railroads] should invest in fast trains. This requires extensive line work, providing jobs regionally. New locomotives and cars in turn provide jobs in the engineering industry.

A new double track should be built between Alvsjo and Jarna south of Stockholm. This would make the main line toward the south function better.

In the housing field Ullsten pleaded for better maintenance and for additional insulation to save oil. New apartments and small housing units must also be built, and where housing shortages exist, new stimuli must be introduced.

For the rest, Ullsten advocated savings by the citizens instead of wage earner funds and lowered marginal taxes.

"Is it not time that we sat down and settled the tax question?" he wondered. "Do we not need a 'historical compromise' instead of the eternal quarreling.

11,256

CSO: 3109

SIRMEN EXAMINES FOREIGN MINISTERS' MEETING

Istanbul CUMHURİYET in Turkish 14 Dec 80 p 3

[Editorial by Ali Sirmen]

[Text] Yesterday Foreign Minister İltis Türkmen, who had gone to Brussels to take part in a NATO meeting, met with his Greek counterpart Mitsotakis. As these lines are being written, information concerning the details of the discussion is not yet in our hands. Besides, Mr Türkmen had announced that he "did not expect concrete results from the Sunday meeting."

In contrast to this announcement, İltis Türkmen appears optimistic about the future of Turkish-Greek relations. The Foreign Minister stated that he "expected tangible developments in Turkish-Greek relations in the months ahead."

In foreign policy, a positive, constructive, optimistic inclination towards relations between two neighboring countries has countless advantages. People who are for peace and democracy have always supported and welcomed approaches like this.

But positive results can only be obtained from approaches of this type through similar behavior by the opposite side. If one side wants just and lasting peace, and the other is thinking of how to use this desire to its own advantage, good intentions cease to be good intentions, and start to move in the direction of naivete.

There are great advantages to solving Turkey's problems with Greece within the principle of mutual understanding, relying in broad measure on cooperation. It is also known that there are a lot of people in Ankara who have seen and understood this fact. How unfortunate that people who share the same view in Athens--even if there are no more than a few of them--are not in charge or influential with the government.

Also, Athens is inclined to use Turkey's positive approaches as steps toward steadfastly realizing her own wishes and goals. Turkey annulled memorandum 714 and--in a manner which we did not find at all advantageous, agreeing to postpone taking up Athens' proposed requirements for its return to the military wing of NATO--obtained an open door for Greece.

What did Ankara expect in return?

Better relations with Greece--which includes these agreements being abided by--and determining responsibility for the Aegean areas of command as soon as possible.

Let's start right off with the second expectation: NATO General Secretary Luns just announced there was no timetable in this matter. The first expectation has not been met, at least for now.

Putting Turkish-Greek relations on a smoother, more normal footing--we've given up on close relations--naturally implies some requirements. Turkey wants Greece to respect the agreements which order relations between them. This is her right, just as it is Greece's right to want the same thing from Turkey.

What step has Greece taken in this area since Turkey extended the hand of friendship?

Even in statements to the Turkish press, senior Greek officials have said that they are justified in arming the Aegean islands--contrary to international agreements--and have made clear their determination to pursue this course.

Has Athens done anything to improve the situation of the Turkish minorities in Western Thrace since the extension of Turkey's hand in friendship?

Not at all! The Greek Parliament has made new decisions which hinder and restrain the Turks' managing their own religious foundations.

In order for relations to return to normal, Ankara desired that Athens not continually oppose and criticize Turkey in international forums.

Would you say that Greece is conforming to this?

The most intimate witness to Athenian actions which in a short time have turned this expectation into disillusionment is certainly Iltis Turkmen. If Mr Turkmen doesn't know enough about this matter, he can ask--or have others ask--some of the former parliamentarians returning from the meetings in Europe.

However, it is rather hard to say that these verbal attacks of Greece concerning Turkey have originated in her sensitivity and precision on the subject of human rights and democracy in our country. Athens' behavior in this matter is directed at a very different goal than that of people who approach the subject with good intentions.

With the situation like this, we really can't partake much in the optimism which Mr Iltis Turkmen, a diplomat of great experience, has shown to date on the subject of Turkish-Greek relations.

We hope that subsequent developments will prove Mr Turkmen correct, because the birth of mutual good will between the two countries, the disappearance of the atmosphere of mistrust, and the taking of concrete steps will secure immeasurable advantages for people living on both shores of the Aegean.

STATE INVOLVEMENT IN BUSINESS DISCUSSED

Istanbul CUMHURIYET in Turkish 14 Dec 80 pp 1,7

[Editorial by Ugur Mumcu]

[Text] Liberal economy is a kind of system in which the state does not interfere in economic life. Whenever the state gets into the economic process, supporters of liberal economy raise an uproar:

Socialism is coming....

These days, too, people who are disturbed by the state's interfering in the economic process have begun to raise their voices in chorus:

What about the State Economic Enterprises....

If it's all a matter of the state's interfering or not interfering in economic life, let's evaluate the subject from this perspective, too, shall we?

In the State Economic Enterprises and on the boards of directors of the banks connected to the state, you will find MPs who lost the election and some rightist journalists. Parties come and go; the end result is the same, because of such boards of directors--the doors to that fodder we call the "stipend"--are useful for giving away the state's resources to a number of privileged companies. These boards have special functions like this.

If you put the identities of those on the boards of directors of the state banks for the last twenty years alongside the individuals and companies receiving credit from these banks, you will understand very well who the system works for.

Fine, what are we doing?

We are trying to take 6 x 9 cm photographs of these relationships with a camera lens and, by developing this film before the public, show them the true picture. Of course, the response comes right away:

Communist!

In this column we often talk about companies whose political connections are influential. Why? This is why: these political relations expose how the state interferes in the economic process, in favor of certain companies. Since they control access to the source of funds, some privileged companies with influential political connections take the lion's share, and companies that can't establish these political connections go bankrupt one right after the other.

In summary, the rules of Capitalist competition hardly apply in this matter. Through party patrons placed in the highest levels of the state and the boards of directors of the banks, the state's resources are mobilized at the order of politically influential individuals and companies.

Suppose that a writer dedicated solely to journalism is put on the board of directors of the National Aviation Company, and another is placed on the payroll of the state's transportation company, another sits at the top of a state bank--a bank becomes a partner of a news agency--what is the meaning of all these things?

What are we to think of banks which were set up to extend agricultural credit allocating millions for commercial credit and the kith and kin of government heads and the subsidiaries of newspaper owners receiving this credit by the bushel? We don't know how you are going to explain this.

If the import license for fluorescent lights is granted not to the foundations that make investments but to companies with influential political connections, how do you justify this in liberal capitalism?

This is how state intervention in the economy is secured. The gentlemen are very satisfied with this type of intervention. Like their fathers' estate, the state works for a handful of companies anyway. You ask:

Why is a state bank a partner of a politically influential private construction company?

The response comes:

Communist, divisionist!

These people are [themselves] such divisionists that they have even divided the
if the companies have influential political connections, look at the
conveniences they get, and then look at the companies that don't have political
connections.

Don't let the state intervene in the economy...Fine, mister, but don't let it do this, either!

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CSO: 4907

MILITARY COURTS TO TRY SMUGGLING CASES

Istanbul CUMHURIYET in Turkish 11 Dec 80 pp 1,5

[Article by Huseyin Ozkan: "Latest amendment to law No 1402 incorporates all smuggling crimes that disrupt the security of the state into the [jurisdiction] of martial law."]

[Text] While all smuggling crimes that disrupt the social, financial, economic or administrative security of the state are incorporated by the latest amendment to law No 1402 as violations of martial law, the civil courts, which adopted decisions of nonjurisdiction in accordance with the previous amendment, have begun to send the dossiers involving firearms smuggling cases [now] in their hands to the Martial Law Commands.

Having suspended proceedings for some time on cases involving group smuggling of weapons--which came under the jurisdiction of the martial law military courts with the first amendment to the martial law code since September 12--the civil courts are first presenting the files they have for the information of the Martial Law Commands. The Martial Law Commands are examining these files sent [to them] from the standpoint of date and nature of the crime, and are sending those which they consider within the amendment to the Martial Law Military Courts, and the others back to the court of their place of origin.

As is known, crimes involving group smuggling of weapons--which are described in the 12th article of law No 6136 "Concerning Firearms, Knives, and Other Instruments", accepted as being within the jurisdiction of the civil courts--were dealt with in the felony courts until recently.

According to the amendment to the law, taking the time frame into consideration, all incidents involving group smuggling of weapons committed since 27 August 1978 in the regions under martial law, going back three months from the date when martial law was first proclaimed, and all those committed in the other regions since 12 June 1980 must be reviewed in the Martial Law Military Courts.

It has been learned that many cases involving group smuggling of weapons have been suspended by the Felony Courts in Istanbul, and a section of court files has been sent to the martial law judicial authorities.

According to information, the decision of nonjurisdiction was made in trials involving the following: a person by the name of Huseyin Seker who was tried in Istanbul's 4th Felony Court for introducing weapons into the country without a permit from 1979 to the present, suspects in case No 980/171 Arif Ari, Erbil Sarac, Ethem Culha, Halil Ceri, and Muharrem Yaya, who were tried in the 2nd Felony Court, and suspects in case No 979/419 Mehmet Sari, Niyazi Reis, Idris Engin, Recep Bolukbasi, Gazanfer Reis (not in custody), Ahmet Rasim Karakas and Omer Lutfi Karakas, also arrested for the same crime and tried in the same court. Out of these files sent through the Istanbul Republic Attorney General to the Istanbul Martial Law Command, case No 979/419 involving Mehmet Sari and his friends was sent back to the 2nd Felony Court because the decision to suspend it had been made in their absence.

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